CHAPTER VI

CONCLUSIONS AND SUGGESTIONS

Jammu and Kashmir is one of the largest states of the Indian Union. In 1912-13 Maharaja Pratap Singh, the then ruler of the State, prepared a plan for the development of the cooperatives in the State. Although in Jammu and Kashmir the pattern of organisation and working was on Rochdale principles, the departmental set-up, supervisory machinery and audit system were different from other States of India. The State of Jammu and Kashmir had a widespread cooperative organisation at the time of independence, when it had, with the exception of the frontier districts of Ladakh and Gilgit, covered the whole of the State with a network of more than three hundred cooperative societies at all levels, in urban as well as rural areas, composed of agricultural credit and non-credit societies' industrial societies and consumer's societies, and societies for consolidation of agricultural holdings, arbitration etc. With the introduction of planned economic development in the State of Jammu and Kashmir in the year 1953, the cooperative movement also received a
considerable attention of the planners. As a result of planned measures the number of societies and their membership increased to 2,165 and 6.92 lakhs respectively in the year 1987-88 as against 1,050 and 3.92 lakhs respectively in the year 1965-66 which resulted in an increase of 106.19 per cent and 121.79 per cent in the number of societies and their membership respectively. This provides sufficient evidence that cooperative societies in Jammu and Kashmir State play a dominating role in cooperative movement of the Jammu and Kashmir and thereby help in the development of State's economy.

It is observed that cooperative marketing in the State is becoming popular in the business world day by day. The consumer's cooperative societies have dominated the cooperative scene of the State both in terms of number as well as in membership. However, it is depressing to note that the cooperative movement is not getting filling in apple marketing where it is expected to play significant role as the marketing of apple at present is subject to the exploitation of number of intermediaries. Inspite of the number of measures taken by the government from time to time to make cooperative
marketing more popular in the apple industry, the
concept of cooperation could not be popularised among
the small growers, the number of which in the apple
industry is very significant and the non-adoption is
due to lack of knowledge of the benefits of cooperatives
as well as lack of faith in the cooperative societies
due to the fact that member education and training
programmes are not doing well in the States. Moreover,
the publicity and propaganda reflecting the benefits
of cooperatives in different fields are also not done
properly.

I have very carefully surveyed the channels of
apple marketing in Kashmir and found that marketings
channels are involved in the distribution of apple
produce. It has been noted that commission agents
channel is the dominating one. This is the channel
which enjoys maximum share i.e. 65.33 per cent of
the sample orchardists. Next to it comes forwarding
agents' and pre-harvest contractor's channel which
constitute 12 per cent and 10.67 per cent of the
sample orchardists. Reasons for the selection
of the commission agent's channel adopted by the
growers are:
i. Lack of the idea of integration concept among growers;

ii. Availability of credit facilities by the commission agents to the basic growers on easy methods and producers;

iii. Age old established relations between the growers and commission agents; and

iv. Lack of outright purchase system among cooperative societies.

It has been pointed out that the existing marketing system of apple is not quite efficient as it gives a grower a low share in the consumer's rupee. However, the cost of marketing of apple is slightly lower and producer's share and consumer's price is slightly higher in case of cooperative fruit marketing societies except zero level channel. In the commission agent's channel, which is the most dominating, the producer's share in consumer's rupee is 31.34 per cent. This clearly indicates that about 69 per cent of the consumer's rupee has been appropriated by the different intermediaries involved in apple marketing. I feel that the existing situation is due to the problems which Agricultural Cooperative Marketing Societies have
been facing in the State e.g. poor management, poor coordination, poor selection and training, poor financial position, poor warehousing facilities etc. Added to this are the apple marketing problems like grading, packing, channel selection, transportation, cold storage etc. An attempt is also made in this chapter to highlight the production problems of apple produce and their impact on its marketing. All these problems have seriously affected the efficiency of cooperative marketing in the State of Jammu and Kashmir.

A broad conclusion emerging out of this study reflects that the cooperative system has failed to achieve its objectives in the State of Jammu and Kashmir. This is so as the cooperative system has not been devised and organised in a professional manner as is in vogue in other parts of the country. The traditional organisation set up has proved detrimental in the very interests of the cooperative sector. The present system of cooperative marketing is not only disfunctional but also has given rise to many other malpractices. It was expected that the exploitation of middlemen in the apple marketing will be stopped with the introduction of cooperative in
the apple marketing but it is a matter of serious concern that it could not replace the commission agent channel in the apple trade. Inspite of the above fact cooperatives can play a significant role in the economic development of the State if organised on the basis of sound cooperative principles. In this context the following are the suggestions to develop Cooperative Marketing in Kashmir.

1. **Reorganisation of Marketing Societies:**

   We should have viable Cooperative Societies only. Those weak and dormant should be reorganised and made viable.

2. **Proper Planning and Control:**

   While formulating the plans, the planners should give due consideration to the analysis of planning promises without which planning becomes futile. Every plan should be made to ensure proper controlling so that implementation of the plans is made in the spirit they are made. This would call for the use of proper controlling devices like budgetary control, scheduling charts and auditing of accounts etc.
3. **Constitution of Managing Committee:**

To make cooperative a pragmatic model, each cooperative should have managing committee with marginal and small growers as its members. This arrangement would definitely take care of the interests of small growers who are sufficient in number.

4. **Effective Coordination:**

To ensure coordination every cooperative society must work in close contact with other. This alone can pave way for horizontal and vertical coordination among various sub systems of the cooperative network. At the same time every efforts should be made to eradicate the barriers to effective communication by installing an effective reporting system.

5. **Establishment of Cooperative Service Commission:**

To check faulty selection and ensure the selection of proper personnel in the cooperative society, a Cooperative Service Commission should be established. The Cooperative Service Commission should be an independent organisation and it should constitute members from
trade association, government cooperative societies and cooperative training institutes.

The cooperative societies should submit their human resource requirements to its apex body and the apex body must formulate the job specification and description of the human resource requirement submitted by the societies. After doing it, the apex body should refer the required job specification to the Commission for filling up the posts.

6. Establishment of Cooperative Training Institute:

There is a growing demand for the establishment of Cooperative training institute equipped with all modern training facilities in the State of Jammu and Kashmir. The trainers in the Institute should be the academicians rather than the present practice of appointing administrators who lack academic framework of the subjects. The Institute should conduct need-base training programmes regularly on various subjects of the cooperation. The training programmes should include induction of new courses, refresher courses, orientation
courses, certificate and degree courses in specialised areas of management, accounting and auditing relevant to the Cooperative Sector. In this connection the Jammu and Kashmir Cooperative Union can play a significant role. Funds should be provided to the Union for the purpose.

7. **Extensive Area Coverage:**

It has been observed that the Cooperative Societies are concentrated only in few areas whereas there is tremendous potential for cooperation in other areas of the State. Therefore, cooperatives must identify the potential areas for their operation and must bring them under their coverage. For example, there is much need of Cooperative Marketing Societies for apples in Sopore the apple city whereas such societies are not much required in semi-urban areas of Srinagar district.

8. **Technical Consultancy:**

No business, at present, can survive without use of modern technology. Therefore, it is the responsibility of the department concerned with cooperative to serve a consultancy agency for the Cooperative
Societies on technical matters in various fields of cooperation. Though this is one of the functions of Service Cooperative Societies but generally this is not performed by such societies in Kashmir.

9. **Diversification of Business:**

At present most of the Cooperative Societies in Jammu and Kashmir are engaged in selling activities only. But at the same time there is enough scope for these societies in other activities of business like supply of agricultural inputs and domestic requirements of the members as is done in other States.

10. **Increase Share Capital of Members:**

At present, the marketing cooperatives in Jammu and Kashmir depend mostly on government help. The lack of finance makes the societies weak. To meet the financial requirements without any problem, the marketing societies should increase their share capital from members and also encourage thrift deposits.

11. **Enactment of Grading and Quality Control Act:**

Grading and quality control Act should be executed
which should include establishment of grade specification and enforcement of grading programmes, operation of inspection system and control laboratories. At the same time, grading should be carried out in accordance with the best mechanical devices.

Types and specifications of authorised packages must be set out to ensure safe handling and speedy recognition. Fruit product definitions and regulations of packages must take place in collaboration with the trade. Marketing practices and strategies must be analysed carefully. Such practices will help in promulgating such laws which can be enforced without any difficulty. This work must be looked after by advisory committee on fruit marketing which should constitute members from concerned government, semi-government, cooperative departments, traders and growers. Various laboratories must be established at various production centres in the State which should analyse the sample. Upon such analysis a certificate must be issued to the exporter society indicating the grade of fruit product and a detailed analysis of the product. Each fruit box/bag must contain label
indicating such analysis and name of the society. Each exporter society must be charged with a nominal fee for such services in order to make it self-supporting scheme.

Regulations fail to fulfil their objectives unless they are properly enforced. The employment of supervisory personnel at the farm level and in wholesale markets cannot meet the requirements. To ensure confirmity with trading rules all traders, dealers and processors must be licensed. This practice will provide an opportunity to screen out dishonest operators at renewal period. The licenses must be withheld from such dealers/traders who fail to enforce approved regulations. They should be easily available to new entrants, to avoid the danger of their being used to protect monopolies.

12. **Economic Packing System:**

An economic packing system for apple should be developed and be made easily available for marginal growers of the State. It will reduce the cost if the
industrial cooperative societies are established for the purpose. The following particulars should also be marked on fruit box as:

a. Kind and variety of apple;
b. Grading mark;
c. No. of layers and apples in the box; and
d. Net weight when packed.

13. Establishment of Horticulture Marketing Trading Institute:

A Horticulture Marketing Training Institute should be established for training and education of personnel engaged in various activities of marketing viz. packing, grading, standardisation, etc. special course for Cooperative Marketing particularly fruit marketing should be introduced in Jammu and Kashmir Cooperative Union Ltd. Jammu.

14. Improved Marketing Channel:

Efforts should be made to ignore the influence of commission and forwarding agents in apple trade and to establish such a distribution system of fruit as
would ensure direct sale to the consumer. This type of marketing channel will be remunerative.

15. **Cold Storage Facilities:**

Cold storages should also be constructed at export marketing centres so as to ensure the growers of the State the facility of cold storage at terminal markets when they feel low returns of their produce as a result of glut at export marketing centres.

16. **Improvement in Transport Facility:**

If the apple industry is to be properly developed from all angles, the available transport facilities of every mode have to be improved and expanded suitably. In this context the State government should adopt the following measures:

i. **Top priority for the construction of all weather feeder roads in apple producing areas is essential for facilitating the movement of apple produce.**

ii. Introduction of the railway transport system
within the Valley which will reduce the time element from apple producing centres to Uazigund and thus save deterioration of a greater extent.

iii. Redesigning of load carries so as to dispense with the existing practice of packing the apple in wooden boxes.

iv. Liberalisation in the issue of licences to cooperative marketing societies, and

v. Advancing loans to marketing societies for purchase of load carriers for transport of apple produce.

17. **Financial Facilities to the Poor Growers:**

All State financial agencies should provide loans to basic and poor growers on low interest rates against their produce. This facility will minimise the practice of supplying interest free finance to the growers by the commission agents and then cheating them
by charging abnormally high commission. In this connection Cooperative can play a significant role and can provide all types of Credit Facilities to the growers.

18. **Outright Purchases:**

The Cooperative Societies should emerge as a big buyers of the apple produce. This system would shift the marketing risk of the produce from the basic grower to this agency. As a consequence growers will prefer to sell their produce to the State agency which will be fruitful both for growers and the State.

19. **Establishment of Marketing Information and News Service:**

Market information centres should be established which will provide the apple growers and traders day to day knowledge and information about the happenings and trends prevailing in various marketing centres in and outside the State. Such a facility will help the growers/traders to decide about future market strategy.

20. **Educating the Growers:**

Adequate arrangements should be made for
imparting training and education to the growers so as to equip them to face the marketing challenges. Growers should be trained in the art of bargaining, selling, price fixation and so on.

21. Establishment of Marketing Research Centres:

The State should set-up a large and full fledged marketing research centre which will be capable of conducting extensive market surveys for exploring new markets and developing existing market both within and outside the State. Such a centre should be assigned with the role of undertaking the following tasks:

i. Investigate the demand for new market facilities and draw up plans and specifications.

ii. Conduct research in the marketing of important apple products with a view to develop more efficient methods and organisation.

iii. Study grades and standards that might be put into practice under grading and standardisation laws.
iv. Investigate the packing and transport of apple products, recommend improvements and develop container of standards.

v. Compile and arrange for the publication of various marketing statistics such as stocks of apples and produce in cold storage, etc. at regular intervals and issue the latest bulletin regarding demand and other market trends; and

vi. Prepare reports of market prices and disseminate the same to the growers through T.V., radio, newspapers and other sources.

In addition to this, arrangements should be made to ensure that a sufficient number of promising students specialised in marketing at the advanced university level within or outside the State should be absorbed in Cooperative Marketing Societies.

22. Efficiency in Processing Units:

To bring efficiency in the processing of apples the following measures are suggested:
i. **Washing of Apple:** It has been observed that majority of apple processing units in the State use plain water for washing. It is suggested that water which has been slightly acidified with hydrochloric acid (about 0.025%) may be used for this purpose. It will help in easy removal of pesticides spray residue etc. At the same time scrubbers may be used to clear the fruit properly before crushing.

ii. **Steam Supply:** A good proportion of processing units in the State do not have machinery/equipment for generating steam which are necessary for regulation temperature as well as pressure which are the most important factors for controlling and processing of fruits. Every processing unit must have at least a baby boiler for the said purpose.

iii. **Arrangement for Packing Materials:** There is always shortage of packing materials for small scale fruit processing units in the
These units fail to get the packing material at required time even when they pay the amount in advance because the quantity of material required by each unit is less. The Small Industries Cooperation may share in responsibility of these units in the procurement of packing material as they are doing for other raw materials, as per requirements of the individual units. The Directorate of Industries and Commerce may help the Small Industries Corporation in estimating the required quality of packing material for the fruit processing units in the State.

iv. Construction of Separate Industrial Shed for Fruit Processing Units: State government should construct separate industrial shed for fruit processing units as per the specification laid down by Food Product Organisation (F.P.O) especially in Jammu and Kashmir State and the sheds may be allotted to young educated entrepreneurs.
v. **Subsidy for Processing Units:** It is very difficult for new entrepreneurs to establish their own fruit processing units as these require heavy initial investment for the construction and installation of building and plant and machinery. Government should arrange these machinery and requirements on instalment basis and should provide subsidy on these for processing units. Further it should also arrange finances for such purposes to these units on low interest.

vi. **Establishment of Food Product Organisation’s Laboratory in the Jammu and Kashmir State:**

At present, more time is consumed in processing of the cases with Food Product Organisation for the establishment of Fruit Processing Units. Therefore, it is suggested that F.P.O should establish a small laboratory in the Jammu and Kashmir State for speedy issue of licence and testing of products, etc.

vii. **Exemption in the Payment of Income Tax:** To give a fillip for bringing up more fruit processing
units in the State, the small scale fruit processing units should be exempted from payment of income tax.

13. **Apple Wastage Utilisation:**

The scholar observed after extraction of juice from apples a large quantity of apple pomace is thrown as waste by the processing units. Apple pomace has good commercial value as it can be utilised for:

a. Recovery pectin, and 

b. Animal feed.

a. A good yield of pectin can be extracted from dried pomace than fresh apple pomace. It is so because dried apple pomace contains about 15 to 20 per cent of pectin while 2 to 3 per cent in fresh apple pomace.

b. Dried apple pomace mixed with 20 per cent of hay can be better utilised as cattle feed.

14. **Establishment of Processing Units at Large Scale:**
The apple processing units/centres should be
established at large scale in the State so that 30 per cent wasted produce may be utilised in better and economical way. At the same time State should make efforts to remove various obstacles coming in the way of these centres/units.

15. **Public Commission Agents:**

State Government should circulate a list of public commission agents for disposal of produce at the export marketing centres at every harvest season. The growers should be directed to approach these agents for the sale of their produce.

16. **Intervention of State Trading Corporation:**

The State Trading Corporation should take responsibility for the marketing of apple produce of the State in a big way. This may prove to be helpful to marketing institutions in raising the bargaining power and income of grower, reducing marketing costs, and in reducing the influence of commission agents at export marketing centres.
17. **Organised Selling System:**

To keep the growers satisfied with fruit returns, government should declare the present system of auction namely Hatha/Parda system as illegal. Efforts should be made for the elimination of this disorganised system of marketing of apple produce.

18. **Organised Producers Organisation:**

The wholesale buyers at export market centres generally form organised organisation and thus deprive the growers/producers of their due share in the consumer's rupee. Hence, it would be fruitful that growers should also form such organisation to increase their bargaining power.

19. **Marketing Fellowships:**

State Government should give fellowships to young growers/traders to study marketing methods and administration in the advanced institutions of learning.
20. **Marketing Meeting and Training:**

Government may recommend personnel/growers to attend specialised horticulture meetings and training courses arranged to meet the marketing needs of horticulture sector.

21. ** Provision of Technical Experts:**

The services of horticulture marketing specialists should be offered from other parts of the country to work for some time in a particular area, to analyse problems on this subject and make recommendations to the State in the light of current conditions.

22. **Advertising and Publicity:**

Advertising and publicity media should be expanded within and outside the country. It is strongly suggested that there should be an international campaign launched by the various concerned state agencies by creating an agency with foreign market association and organisation. Attracting hoarding should be placed at key centres of the principal cities.
Over and above the suggestions given in the foregoing pages, the scholar feels that attention should also be focussed on removing the production defects by adopting the following measures:

i. **Layout:** Due consideration should be given to the scientific principles of orchard layout in future plantation. For the development in the layout of existing orchards, efforts should be made to develop such a system which can make possible the proper layout.

ii. **Research Laboratories:** Horticulture Research Laboratories should be established in every Tehsil of the State so that control of pests and diseases may become possible.

iii. **Exhibition-cum-Demonstration Centres/Plots:** Classes at mass scale may be conducted by various horticulture department and institutions in fruit growing areas, where apple growers may be informed about the latest horticulture technology. For this purpose, demonstration plots should be set-up in fruit producing areas.
iv. **Publicity and Advertisement Campaign:** A rigorous advertisement campaign should be launched to inform growers about the proper use and relative benefits of fertilisers, so that the habit of use of fertilisers may be developed in the growers.

v. **Financial Facilities:** The rural financial lending institutions should allow the marginal growers to take loans without any mortgage so that they are able to bear various pre-harvest expenses which include purchase of medicines, fertilisers, modern implements for fruit cultivation, etc.

vi. **Modern Techniques of Irrigation:** To meet the present requirements of irrigation all methods of irrigation i.e. wells, ditches, storage ponds and river canals etc. should be developed and extended. Merely extending one particular method of irrigation cannot meet the requirement and demands of irrigation.

vii. **Crop Insurance Scheme:** To save the fruit production from various pre-harvest risks/damages, crop insurance scheme may be executed.
These are the proposals for the healthy operation of the marketing system and for the economic development of apple industry. Therefore, it becomes obligatory on the part of growers and horticulture agencies as well as on the government to go for these suggestions to correct deficiencies in the existing marketing system/operation of the apple industry. The suggestions, if implemented properly would prove a gate way to the future prosperity of the industry.