

**“A Study on Erode Agricultural Producers Co-Operative Marketing Society
(with special reference to turmeric market)”**

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CHAPTER-I
INTRODUCTION

INTRODUCTION

ABSTRACT

The establishment of co-operative marketing societies was another step which has been taken to overcome the problems arising out of the present system of marketing agricultural produce. The objectives of economic development and social justice can be furthered by channelising agricultural produce through cooperative institutions. Private agencies dominate the Indian food grains trade. Farmers complain of the marketing system because they get lower prices, due mainly to high marketing charges and the prevalence of malpractices. The efforts of the government to improve the marketing system of agricultural commodities have been only partially successful in creating healthy conditions for scientific and efficient marketing.

Moreover, the progress of regulated markets is not uniform in all areas. The need for strengthening co-operative organization has, therefore, been recognized for the marketing of the produce of farmers and for making inputs available for them at the right price and time.

The co-operative institutions are expected to function as competitors of private traders in the market. These organizations pool the produce of the small farmers having a small surplus to market and improve their bargaining power. They have also helped government agencies in the execution of the policy decisions bearing on the procurement and distribution of food grains and other essential commodities.

A co-operative sales association is a voluntary business organization established by its member patrons to market farm products collectively for their direct benefit. It is governed by democratic principles, and savings are apportioned to the members on the basis of their patronage. The members are the owners, operators and contributors of the commodities and are the direct beneficiaries of the savings that accrue to the society. No intermediary stands to profit or loss at the expense of the other members.

Co-operative marketing organizations are associations of producers for the collective marketing of their produce and for securing for the members the advantages that result from large-scale business which an individual cultivator cannot secure because of his small marketable surplus.

In a co-operative marketing society, the control of the organization is in the hands of the farmers, and each member has one vote irrespective of the number of shares purchased by him. The

profit earned by the society is distributed among the members on the basis of the quantity of the produce marketed by him.

In other words, co-operative marketing societies are established for the purpose of collectively marketing the products of the member farmers. It emphasizes the concept of commercialization. Its economic motives and character distinguish it from other associations.

FUNCTIONS

The main functions of co-operative marketing societies are:

- To market the produce of the members of the society at fair prices
- To safeguard the members for excessive marketing costs and malpractices
- To make credit facilities available to the members against the security of the produce brought for sale
- To make arrangements for the scientific storage of the members' produce
- To provide the facilities of grading and market information which may help them to get a good price for their produce
- To introduce the system of pooling so as to acquire a better bargaining power than the individual members having a small quantity of produce for marketing purposes
- To act as an agent of the government for the procurement of foodgrains and for the implementation of the price support policy;
- To arrange for the export of the produce of the members so that they may get better returns;
- To make arrangements for the transport of the produce of the members from the villages to the market on collective basis and bring about a reduction in the cost of transportation; and
- To arrange for the supply of the inputs required by the farmers, such as improved seeds, fertilizers, insecticides and pesticides.

TYPES

On the basis of the commodities dealt in by them, the co-operative marketing societies may be grouped into the following types:

➤ Single Commodity Co-operative Marketing Societies

They deal in the marketing of only one agricultural commodity. They get sufficient business from the farmers producing that single commodity. The examples are Sugarcane Co-operative

Marketing Society, Cotton Co-operative Marketing Society and Oilseed Growers Co-operative Marketing Society

➤ Multi-Commodity Co-operative Marketing Societies

They deal in the marketing of a large number of commodities produced by the members, such as foodgrains, oilseeds and cotton. Most of the co-operative marketing societies in India are of this type.

➤ Multi-purpose, Multi-commodity Co-operative Marketing Societies

These societies market a large number of commodities and perform such other functions as providing credit to members, arranging for the supply of the inputs required by them, and meeting their requirements of essential domestic consumption goods.

AGRICULTURE PRODUCERS COOPERATIVE MARKETING SOCIETIES IN TAMIL NADU

The Cooperative Marketing Societies in Tamil Nadu help the farmer members by supply of quality seeds, fertilizers, pesticides and other farm requirement at competitive rates as and when required by them. The Cooperative Marketing Societies also help the farmers in processing, storing and marketing their agriculture produces to fetch reasonable price for their agricultural produces. With these objectives the Cooperative Marketing Societies are functioning at taluk levels. Other functions under taken by Cooperative Marketing Societies Besides the principal functions stated above the agricultural producers Cooperative Marketing Societies also do the following services to its members and general public in their area of operation.

- Undertakes distribution of essential commodities under Public Distribution System through Fair Price Shops.
- The Cooperative Marketing Societies purchases agricultural produces from farmers for sale to general public through Consumer Cooperative Stores eliminating traders and middlemen from the system.

CHAPTER-II
RESEARCH DESIGN AND METHODOLOGY

TOOLS FOR DATA COLLECTION

The study is based on secondary data obtained from annual reports of Erode Agricultural Producers Cooperative Marketing Society comprising profit and loss a/c and balance sheet for the period of 2016-2017 to 2020-2021.

FRAME WORK ANALYSIS

In the process of analysis the data collected were analyzed and presented in the form of tables and percentages for better understanding of the problem under the study.

LIMITATION OF THE STUDY

The study is fully based on the information given by EAPCMS.

The study is conducted for the period of 5 years from 2016-2021

OBJECTIVES OF THE STUDY

The study is based on the following specific objectives

- To study the profile of A.A.268 ERODE APCMS.
- To study the various functions and financial Performance of the A.A.268 ERODE APCMS.
- To study the value added products of A.A.268 ERODE APCMS.

VARIOUS TYPE OF MANGALAM PRODUCTS

- Turmeric powder
- Sambar powder
- Coriander powder
- Chillie powder
- Rasa powder
- Chicken masala
- Mutton masala

- Gram masala
- Kulambu chilly powder
- Curry masala
- Kukumam
- Bajimix
- Kunkumam
- Nattusakkarai
- Gram flovor
- Ragi powder

TURMERIC

Turmeric (*Curcuma longa*) (Family: Zingiberaceae) is used as condiment, dye, drug and cosmetic in addition to its use in religious ceremonies. India is a leading producer and exporter of turmeric in the world. Turmeric, aloe vera or curcuma (*curcuma longa*) is a food coloring, flavor enhancer and medicinal crop. It is 60 to 90 cm. A garlic plant that grows to a height. Its leaves are clustered. The yellow tuber is a long root that branches from the bud on the stem and goes into the soil. Turmeric contains a chemical called curcumin, which gives turmeric its color and the various benefits that turmeric can achieve.

HISTORY

Turmeric was used as a major component of paranormal medicine in Tamil Nadu a thousand years ago. It was originally used as a dye. Later it was used for medicine

Turmeric have three types :

1. Round Turmeric
2. Finger Turmeric
3. Musk Turmeric

Round Turmeric: It will be slightly rounded. Grind it or rub it on the stone and apply it on the face.

Finger Turmeric: It will be in elongated shape. This is used for dye, drugs and cosmetics.

Musk Turmeric: Turmeric it will be flat, not bow. Full of scent

Turmeric(Haldi) is a very important spice in India from ancient times.India produces nearly whole world's turmeric crop and consume 80 percent of it.With its inherent qualities,Indian turmeric is considered the best in the world.The important turmeric growing States in India are,Andhra Pradesh, Tamilnadu,Orissa,Maharashtra,Assam,Kerala,Karnataka,and West Bengal.Erode is one of the district,where turmeric is cultivated traditionally.On an average,5.12 tones of turmeric is cultivated from one hectare and Erode District market has an arrival of about 20 lakh bags(65kg bag)per year.

MANUFACTURING UNIT DETAILS

The Society has installed a turmeric powder plant in its premises at a cost of Rs.10 lakhs with the consistence of NCDC in the year 1986. This has a crushing capacity of 1300 M.T per annum. The Society has installed masala powder unit in its premises at a cost of Rs.75 lakhs in the year of 2016 to started commercial production of Kumkum powder, Coriander powder, Chilly powder etc.There are working in 25 persons working in manufacturing units out of 25 there are 15 womens in their society.

CHAPTER-III
PROFILE OF THE SOCIETY

ORIGIN AND DEVELOPMENT OF ERODE AGRICULTURAL PRODUCERS COOPERATIVE MARKETING SOCIETY

Earlier days, turmeric private commission on mandis where there and the farmers were not given importance to sell their products at reasonable price. Commission agents ruled over the entire turmeric market and prices offered was not affordable. So the farmers belongs to erode taluk area started a new cooperative society to sell their produce.**Thiru.S.K.ParamasivamEx. M.P.**, a veteran Co-operator organized the Erode Agricultural Producers Co-operative Marketing Society Ltd on 31st January 1960 and commenced its business from 29th June 1960 onwards It was started initially with 58 members and a share capital of Rs.14,885/- the society its humble beginning. As on 31st March 2021, the society functions with 32720, members with the share capital of Rs.37.53 lakhs.The Society is running with net profit since its commencement and distributing 14% dividend to its members since 1990.

AREA OF OPERATION(AS PER BYLAWS)

The Erode Agricultural Producers Co-operative Marketing Society Ltd., No.A.A.268, is registered as a Co-operative society under Act VI of 1932 (Madras). Its address shall be at Erode Town, Erode in the Erode District. Its area of operations shall be confined to Erode Taluk, Modakurichi Taluk and Kodumudi Taluk. However the Turmeric Growers residing in all other taluks in Tamil Nadu may be admitted as “A” class members and they may be granted loans in the pledge of Turmeric produce subject to the conditions that they shall not be eligible for the other rights and privileges available to a “A” class members residing in the area of operation of the society.

BRANCH DETAILS

The society is having one branch started in 2014 situated at Thindal near by erode(12 km) from head office.They having 3 godowns available at branch

- 2000 M.T
- 1000 M.T
- 500 M.T

MANGEMENT AND ADMINISTRATION

The society is having an elected board of directors(BoD) since 2013(11.06.2013)after a long period and from the government a Managing Director(MD) has been appointed to take care of the day to day operations. There are nine employees working in different cadres to support the BoD and the MD.

STAFFING PATTERN

There are working in only 9 staffs run by day to day office works in our society.

Assistant general manager-1

Manager-2

Assistant manager-3

Senior assistant-2

Assistant-1

OBJECTIVES OF THE SOCIETY:

- 1.To provide basic price to farmers produce.
- 2.Value added products to enhance the produce
- 3.To ensure minimum support price(MSP)
- 4.To arrange for the marketing of Agricultural produce of the agricultural members at reasonable price.
- 5.To advance loans on the pledge of Agricultural produce.

MEMBERBENEFITS

- 1.Members are getting reasonable price to their produce.
- 2.Immediate payment to their sold produce in their bank account.

SERVICE PROVIDE TO THE MEMBERS

- Increase bargaining strength of the farmers
- Direct dealings with final buyers
- Provision of credit
- Free Storage facility.
- Free Fumigation and Insurance Charges.
- Grading and Standardization.
- Market intelligence.
- Influencing Market Prices.
- Provision of Inputs and consumer goods.
- Processing of agricultural produces.
- Value addition of their produces

FREE STORAGE FACILITY :-

- The Society give free storage facility to the members producers up to 3 month, after that period charging minimum rate per bag.
- The Society provides three month free storage in which free fumigation and insurance for the produce are done.
- If the farmers wish the society provides 70% of the current value of the turmeric stored in the godown subjected to a maximum of Rs.3 lakh with 9 percent interest as produce pledge loan.
- This facilities the agriculturists to store temporarily their produce and free to sell when the market rate increase.

CHAPTER-IV

MARKETING ACTIVITIES OF THE SOCIETY

FUNCTIONING OF MARKETING SOCIETY

The important functions carried out by the co-operative marketing societies are

SALE ON COMMISSION BASIS

- Co-operative marketing societies act as commission agents in the market, i.e., they arrange for the sale of the produce brought by the members to the market. The produce is sold by the open auction system to one who bids the highest price. The main advantage, which the farmer-members get by selling the produce through co-operative marketing societies instead of a commission agent, is that they do not have to accept unauthorized deductions or put up with the many malpractices, which are indulged in by individual commission agents. As there is no individual gain to any member in the marketing of the agricultural produce through co-operative marketing societies, no malpractices are expected to be indulged in.
- This type of marketing is not risky for co-operative societies. But sometimes traders in the market form a ring and either boycott the auction or bid a low price when the produce is auctioned on the co-operative marketing societies shops. These tactics of the traders reduce the business of co-operative marketing societies. Therefore, farmers hesitate to take their produce for sale in the market through co-operative marketing societies.

PURCHASE OF MEMBERS' PRODUCE

Co-operative marketing societies also enter the market as buyers. A society participates in bidding together with other traders, and creates conditions of competition. The commodities thus purchased by a society are sold again when prices are higher. This system of the outright purchase of the produce by the society involves the risk of price fluctuations. If the managers of societies lack business experience, they hesitate to adopt the outright purchase system.

MARKETING OF AGRICULTURAL PRODUCES

The society arranges to market the agricultural produce of its members, especially Turmeric on Agency basis. The society daily conducts e-Tender through Mobile App in its premises. The highest rate offered by the purchaser is confirmed in the tender in

consultation with the farmers, for which only a nominal service charge of 1.5 percent is collected and the sales amount of Turmeric are disbursed to the members account through RTGS, NEFT on the same day. The marketing activities undertaken for the past years are as follow

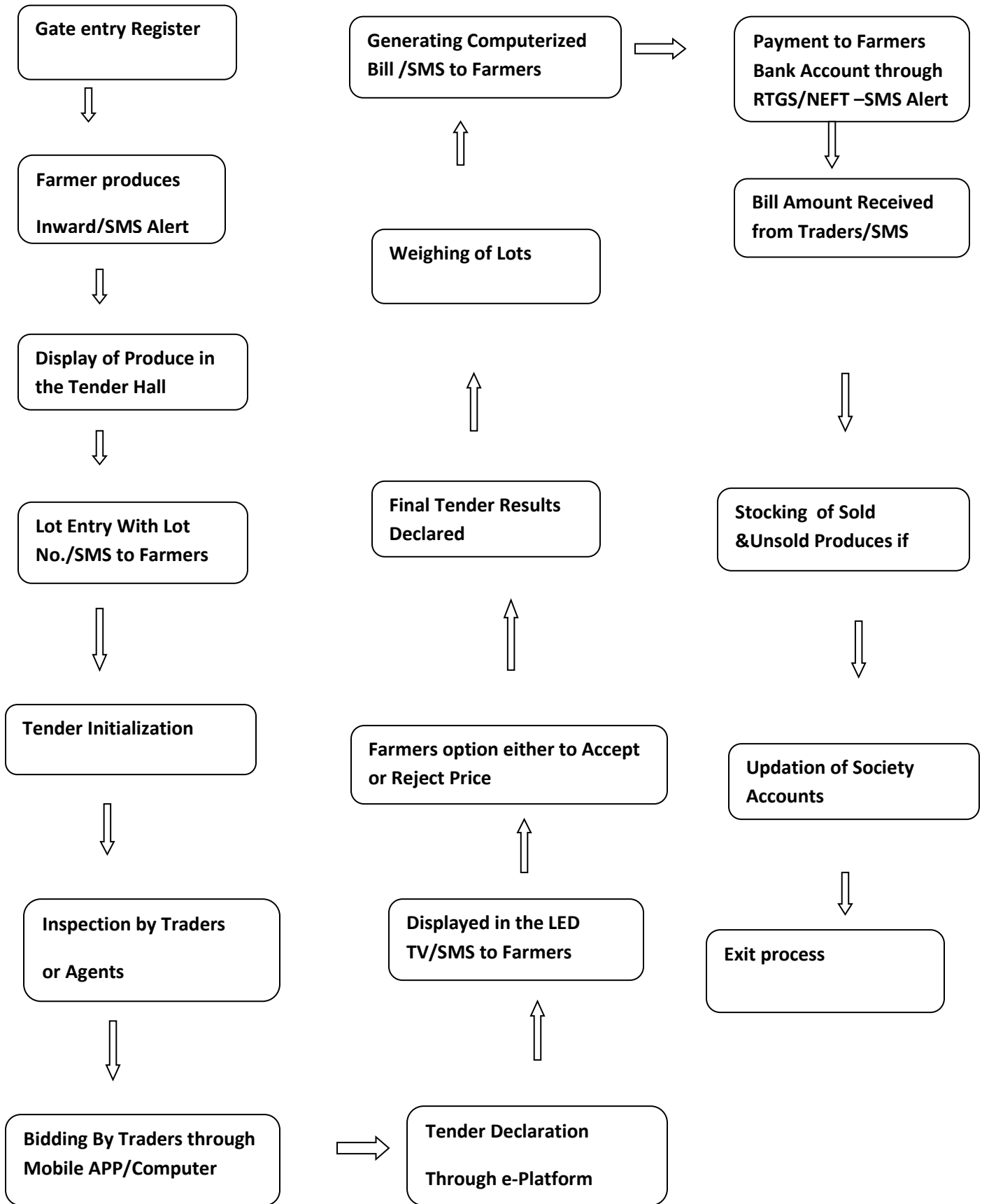
E-TENDER

In number of places the traditional manual tender/auction system is followed for auctioning the agricultural produces. In the Erode Agricultural Producers Cooperative Marketing Society Ltd” Mobile APP Tender System is introduced from February 2016 onwards for the benefit of the society and the stakeholders.

MOBILE APP E-TENDER MODEL



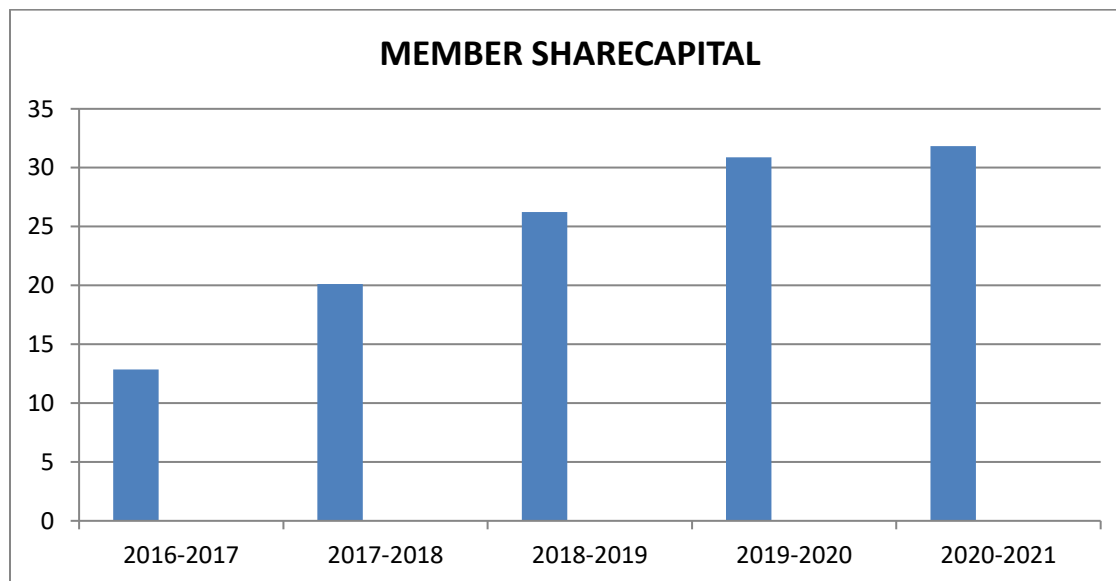
FLOW OF E TENDER



MEMBERS DETAILS IN ERODE APCMS

Table 4.1

YEAR	SHARECAPITAL	PAID UPSHARECAPITAL (RS IN LAKHS)
2016-2017	24626	12.85
2017-2018	26151	20.13
2018-2019	29451	26.24
2019-2020	31743	30.88
2020-2021	32720	31.84



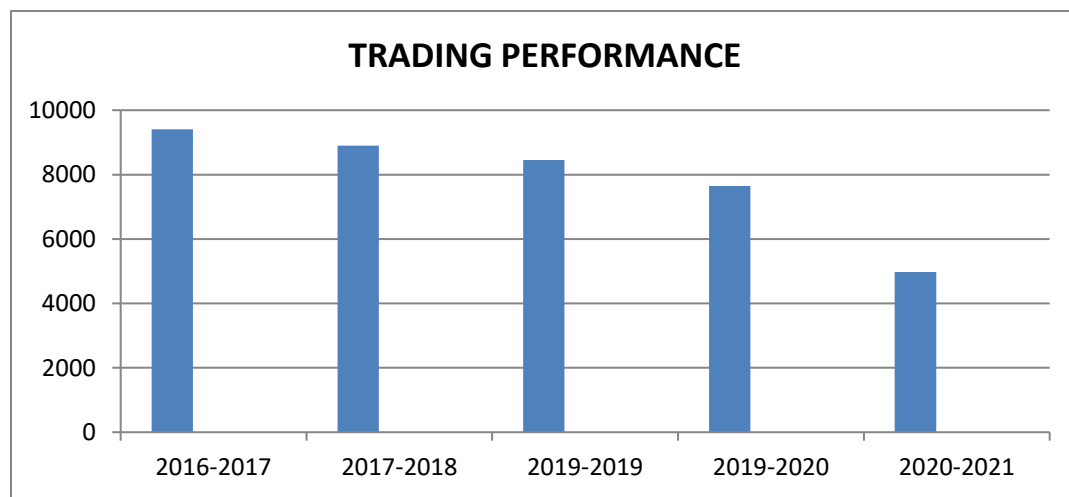
INTERPRETATION

From the above table it is clear that Member share capital has been gradually increasing during the study period.

TRADING PERFORMANCE OF THE EAPCMS

Table 4.2

S.NO.	YEAR	MARKETING OF AGRICULTURAL PRODUCE (RS.IN LAKHS)
1.	2016-17	9405.92
2.	2017-18	8904.08
3.	2018-19	8449.03
4.	2019-20	7649.69
5.	2020-21	4971.84



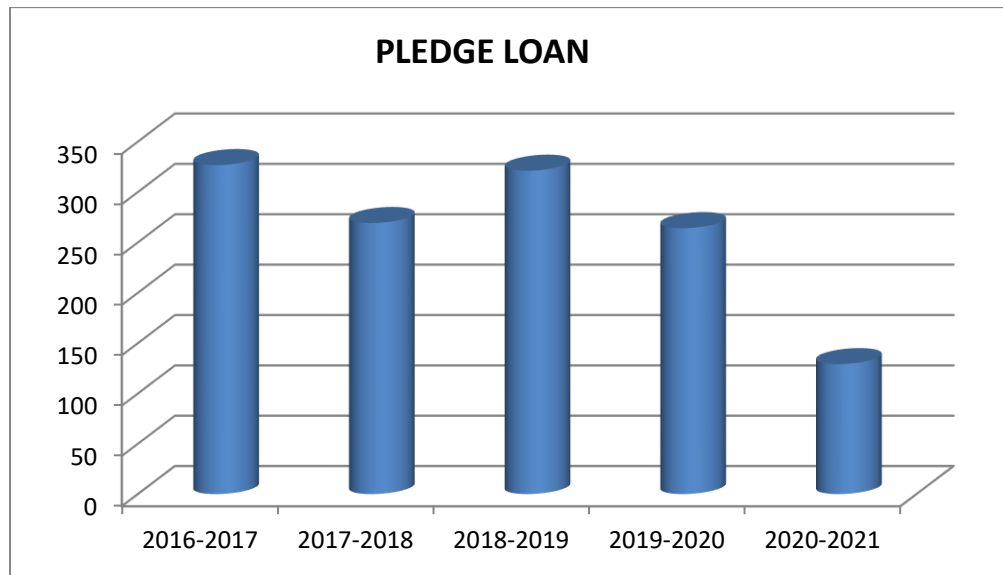
INTERPRETATION

From the above table it is clear that Trading Performance has been gradually decreasing during the study period.

ISSUE OF PRODUCE PLEDGE LOAN

Table 4.3

S.NO	YEAR	PLEDGE LOAN
1.	2016-17	326.85
2.	2017-18	269.32
3.	2018-19	321.23
4.	2019-20	264.24
5.	2020-21	129.26



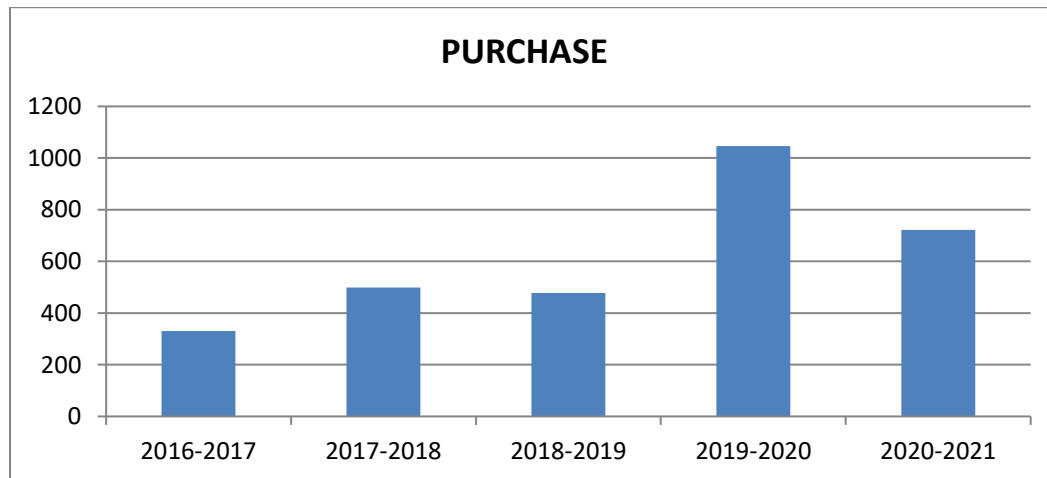
INTERPRETATION

From the above table it is clear that Pledge Loan has been gradually decreasing during the study period.

TOTAL PURCHASES FOR MANGLAM PRODUCTS

Table 4.4

S.NO	YEAR	QUANTITY (IN TONES)	VALUE (RS. IN LAKHS)
1.	2016-17	346	330.80
2.	2017-18	609	499.32
3.	2018-19	1265	478.12
4.	2019-20	1026	1046.02
5.	2020-21	772	721.73



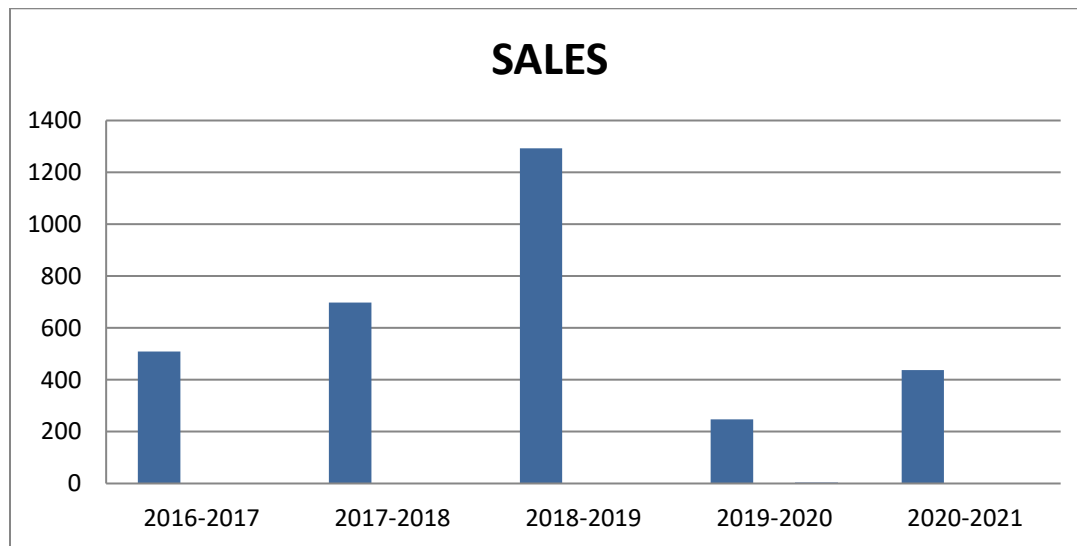
INTERPRETATION

From the above table it is clear that Purchase for mangalam products has been gradually decreasing during the study period.

TOTAL SALES OF MANGALAM PRODUCTS

Table - 4.5

S.NO.	YEAR	QUANTITY (IN TONES)	VALUE (RS. IN LAKHS)
1.	2016-17	328	508.48
2.	2017-18	549	697.72
3.	2018-19	871	1292.98
4.	2019-20	195	247.00
5.	2020-21	349	437.48



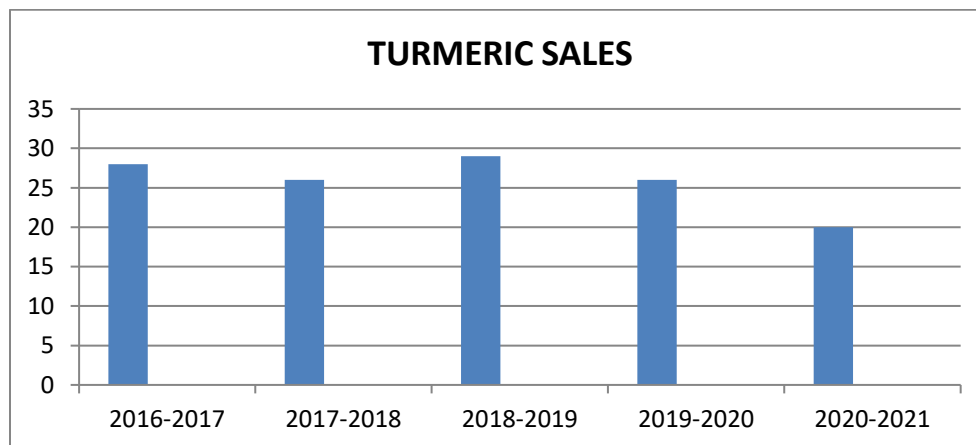
INTERPRETATION

From the above table it is clear that Sales for mangalam products has been gradually increasing during the study period.

TURMERIC SALES DETAIL IN ERODE

Table 4.6

S.No.	Year	Turmeric total sales in Erode(bags)	Turmeric sales in the Society (bags)	Society share in turmeric sales (%)
1.	2016-17	541945	149308	28 %
2.	2017-18	594369	156550	26 %
3.	2018-19	558478	160689	29 %
4.	2019-20	579605	148805	26 %
5.	2020-21	515748	104514	20 %



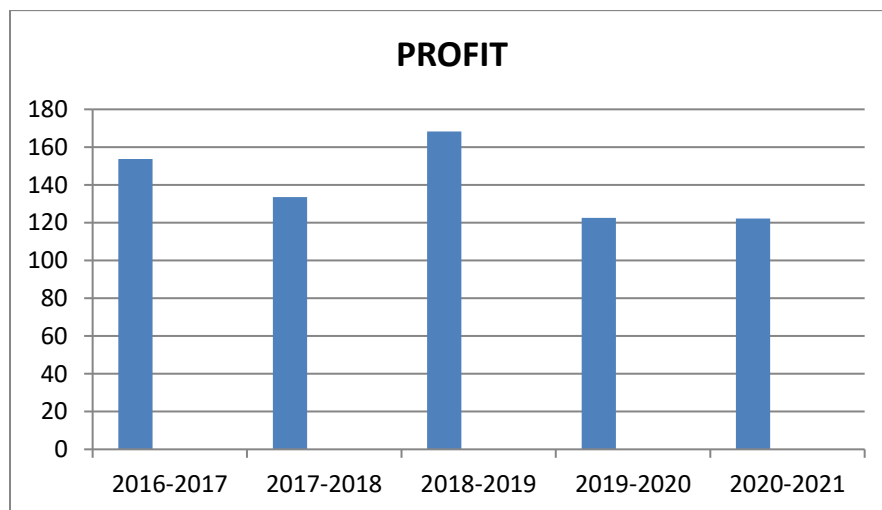
INTERPRETATION

From the above table it is clear that Turmeric Sales for has been gradually decreasing during the study period.

PROFIT OF ERODE APCMS

Table 4.7

S.NO	YEAR	GROSS PROFIT(IN RS. IN LAKHS)	NET PROFIT (IN RS. IN LAKHS)	DIVIDEND DECLARED (%)
1.	2016-17	213.76	153.71	14 %
2.	2017-18	218.20	133.60	14 %
3.	2018-19	256.65	168.34	14 %
4.	2019-20	212.54	122.56	14 %
5.	2020-21	253.84	122.16	14%



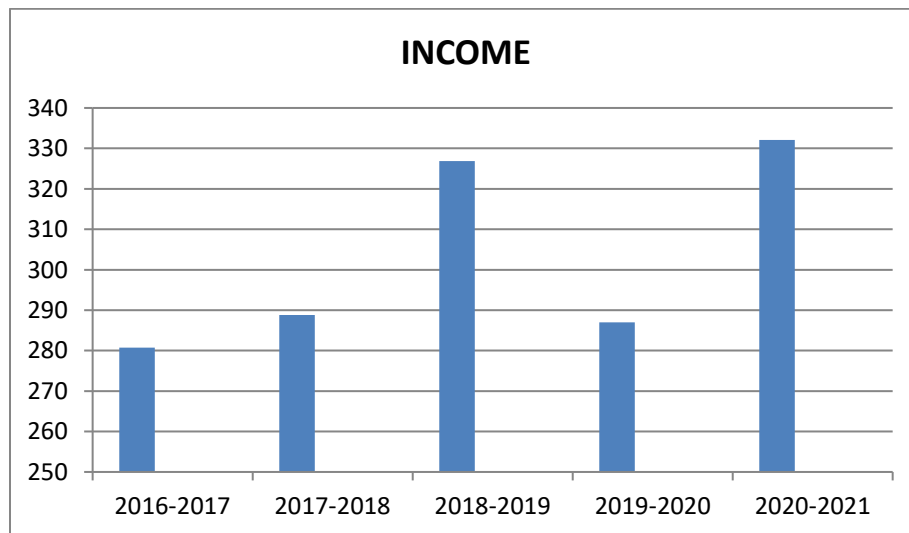
INTERPRETATION

From the above table it is clear that Profit has been gradually decreasing during the study period.

DETAILS OF TOTAL INCOME (RS. IN LAKHS)

Table 4.8

S.NO.	YEAR	SERVICE CHARGE COLLECTED	INTEREST INCOME	OTHER INCOME	TOTAL INCOME
1.	2016-17	144.08	19.93	116.73	280.74
2.	2017-18	134.28	24.47	130.06	288.81
3.	2018-19	126.74	19.39	180.75	326.88
4.	2019-20	114.74	15.92	156.34	287.00
5.	2020-21	74.57	13.20	244.29	332.06



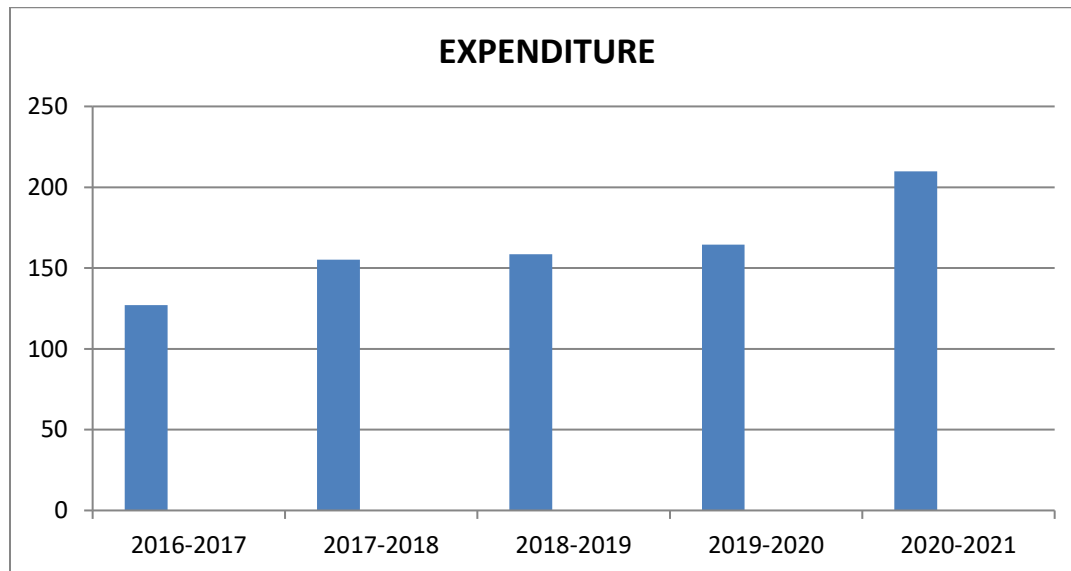
INTERPRETATION

From the above table it is clear that Total income has been gradually increasing during the study period.

DETAILS OF TOTAL EXPENDITURE (RS. IN LAKHS)

Table 4.9

S.no	Year	Establishment Expenses	Other Expenses	Total Expenses
1.	2016-17	89.01	38.01	127.02
2.	2017-18	109.38	45.83	155.21
3.	2018-19	92.92	65.61	158.53
4.	2019-20	105.48	58.94	164.42
5.	2020-21	125.66	84.20	209.86



INTERPRETATION

From the above table it is clear that Total Expenditure has been gradually increasing during the study period.

TOTAL SALE OF SWARNAHAR (IFFCO KISAN) PRODUCTS

S.No.	Year	Quantity (in tones)	Value (Rs. In lakhs)
1.	2019-20	484	839.69
2.	2020-21	492	844.38

Also the Society has entered an agreement with Iffco Kishan Sanchar Ltd for masala sales throughout the Country. As per the agreement Erode APCMS will be marketed by IKSL throughout India in the name “SWARNAHAR”.



VALUE ADDED PRODUCTS

The society started the production of value added products like Turmeric powder, Coriander powder, Chilly powder, Sambar powder, Rasam mix powder, Curry masala, Garam masala, Mutton masala, Chicken masala, Ragi powder, Bajji and Bonda mix, Kumkum powder. The Products are sold in the brand name of “Mangalam” at a reasonable price to the consumer throughout the state without any added flavours and colouring.

MANGALAM

Product of Co - operative



Turmeric powder

Kunkum

Sambar Powder

Chilli Powder

Coriander Powder

Rasa Powder

Chicken Masala

Mutton Masala

The Society, besides conducting turmeric sales through e-Tender, its also purchase turmeric by participating in the e-Tender for “Stabilization of the price Turmeric” in the market. The Society resells the turmeric and as value -added products the many co-operative institution within the state and also to some famous temples in Tamil Nadu with nominal margin of profit.

The Society has installed a turmeric powder plant in its premises at a cost of Rs.10 lakhs with the consistence of NCDC in the year 1986. This has a crushing capacity of 1300 M.T per annum.

The Turmeric powder manufactured in the unit with “AGMARK GRADIATION” and “FSSAI” is being exported to foreign countries by NAFED, Chennai from 2001. After 2009-2010 there was a slack in the production of turmeric powder. Once again with the support of the Registrar of Co-operative societies, employees and members of the society ventured full-fledged in producing turmeric powder.



CHAPTER-V

FINDINGS,SUGGESTIONS&CONCLUSION

FINDINGS

- Society having good financial position and running in well profit.
- providing valuable products to the consumers like **MANGALAM** products like wise sambar powder,rasapowder,chilly powder etc.,
- Its stability of financial position is in good condition.
- Mangalam Products will reach new height.
- The working of ERODE APCMS was appreciable from the year 2018-2019 by its audit reports.
- The Products are getting a very good reputation in the market because of its purity and unadulteration so sale is picking up

SUGGESTIONS

- ✓ Nowadays agriculture cultivation is reduced and to encourage young farmers to get fair price of agriculture produce.
- ✓ In order to ensure health aspects of a family value added products provide with good quality without any added flavours and colouring .
- ✓ The Society should take necessary steps for increasing the membership.
- ✓ The Society has deputed its employees to various training programs, so as to keep them to touch with the changing world.
- ✓ The public should be motivated by explaining the advantage of cooperatives when compared to other agencies.
- ✓ Persons with professional qualification can be employed to bring in higher productivity.
- ✓ The society takes necessary steps to provide knowledge about cooperative principles and habit of savings and thrift to its members.
- ✓ To identify the genuine members and the loan should be given to them. To improve profitability, society need to open more sale outlets.