

**STUDY ON WORKING PERFORMANCE OF AGRICULTURAL
PRODUCERS COOPERATIVE MARKETING SOCIETIES IN
NAMAKKAL DISTRICT OF TAMILNADU**

**A Dissertation Report submitted for impartial fulfillment of the
requirement for the award of 55th PGDCBM Course at VAMNICOM , Pune**

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INDIA**

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Rajamanickam.N

S.Y.Deshpande,

Professor,

Vaikunth Mehta National Institute of Cooperative Management,

Pune,

Maharashtra.

CERTIFICATE

This is to certify that the Dissertation entitled **“Study on working performance of Agricultural Producers Cooperative Marketing Societies in Namakkal District of Tamilnadu”** is an original research work carried out by Rajamanickam.N under my guidance and supervision. No part of this work has been submitted for any other degree earlier.

Date: 06.05.2022

Place: Pune

S.Y.Deshpande

DECLARATION

I hereby declare that the dissertation entitled “**Study on working performance of Agricultural Producers Cooperative Marketing Societies in Namakkal District of Tamilnadu**” is the outcome of research work carried out by me under the guidance of S.Y.Deshpande, Professor, Vaikunth Mehta National Institute of Cooperative Management, Pune, Maharashtra. I further declare that this dissertation has not been submitted previously for the award of any degree either in this Institute or any other Institute.

Date: 06.05.2022

Place: Salem

Rajamanickam.N

Trainee Officer

EXECUTIVE SUMMARY

STUDY ON WORKING PERFORMANCE OF AGRICULTURAL PRODUCERS COOPERATIVE MARKETING SOCIETIES IN NAMAKKAL DISTRICT OF TAMILNADU

Research Supervisor: Prof. S.Y. Deshpande

Trainee Officer: Rajamanickam.N

The Cooperative sector plays a vital role in the economic development of the country and hence it has been recognised as an integral part of our national economy. The Cooperative movement, which is the largest Socio-economic movement in the world, has contributed significantly to the alleviation of poverty, creation of productive employment as well as the enhancement of social integration in the country.

The study is based on secondary data collected from Tiruchengode Agricultural Producers Cooperative Marketing Society (TAPCMS) and Rasipuram Agricultural Producers Cooperative Marketing Society (RAPCMS) in Namakkal District of Tamilnadu during the period from 2016-17 to 2020-21. Cooperative Marketing Society of Tiruchengode and Rasipuram business activities, analysis of growth, performance, and profitability have been studied during the study period.

Major finding has been drawn based on the analysis of TAPCMS and RAPCMS. It found that growth and performance of TAPCMS doing better business activities compared to RAPCMS and TAPCMS doing diversified business activities of producing value added products, Indian oil – SERVO lubricant stoickistship, TMT Steel dealership for its members and common public. But in case of RAPCMS has not adopted to do the diversified business activities.

The following suggestions are made based on the study. While some of the suggestions are aimed to improving the operational efficiency are aimed at improving the business diversifications in order to make the cooperative marketing societies more competitive in open economy. TAPCMS and RAPCMS should concentrate to increase marketing of agricultural commodity and production of value added products, they earn more profits. RAPCMS should concentrate on adopting the diversified business activities.

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CHAPTER-I
INTRODUCTION AND
DESIGN OF THE STUDY

INTRODUCTION

In India, evolution of co-operative marketing is as old as the Co-operative Societies Act of 1912, which recognized non-credit forms of co-operation, including marketing. The first market society started in India was the Kumbakonam Agricultural Society in 1913, which supplied seeds, manures, implements and arrangement of sale of the products of its members. In the year 1915 and 1917 two Marketing Co-operative Societies were formed at Hubli and Gadag respectively. The basic objective was to encourage the cultivation of improved cotton and sell it collectively.

In 1918, the South Canara Planters Co-operative Society was formed in the then Madras Province for joint sale of area nut Cooperatives play an important role in the socio-economic development of the people of our country. The cooperative movement in India, particularly in Tamil Nadu, has taken deep roots in various sectors and is making a significant contribution towards economic development and social progress of the people.

In 1920-21 there were only 31 co-operative societies. The Royal Commission on Agriculture (1928) stressed the need for group marketing instead of individual marketing. In 1945, the Co-operative Planning Committee recommended that at least 25 percent of marketable surplus should be channelised through co-operative societies within the next 10 years by framing one society for the group of 200 villages. In 1954, the All India Rural Credit Survey Committee brought to light the dismal performance of the existing co-operative marketing. In a survey of 75 districts, there was no co-operative marketing society in 63 districts. In other districts, only 1 percent of the total sale of rural produce was done through the societies. In 1958, the National Agriculture Co-operative Marketing Federation (NAFED) came into power as the apex body of co-operative marketing. In 1963, the National Co-operative

Development Corporation (NCDC) was established for the promotion of programmes relating to processing, storage, packing and marketing of rural produce through co-operative markets. In 1968, the RBI recognized the linking of credit with marketing as a necessary step for the development of agricultural marketing.

COOPERATIVE MARKETING – STRUCTURE

In India, the co-operative marketing societies have both two-tier and three-tier structure. At the national level NAFED serves as the apex institution. At the base level, there are primary co-operative marketing societies. These societies market the product of the farmer members in that area. They are located at the primary wholesale market. At the district level, there are Central Co-operative Marketing unions. Their main job is to market the produce brought for sale by the primary co-operative marketing societies of that area. These are located at the secondary wholesale markets. The members of these unions are primary co-operative marketing societies and individual farmer members. In the two-tier structure, the state level societies perform these functions through their branches throughout the state.

At the state level, there are apex State Co-operative Marketing Societies or Federation. Their members are both the primary co-operative marketing societies and the Central or District Cooperative Unions of the state. Their basic function is inter-state trade, procurement and distribution of inputs, and export-import, dissemination of market information and rendering professional service for the agricultural marketing system. In India, the network of co-operative marketing structure now comprises over 6,000 primary marketing societies. At the district level, there are 170 Central Marketing Societies. At the State level, there are 29 general purpose state level Marketing Federations and 16 special commodity Marketing Federations, and at the All India level there is National

Co-operative Development Corporation (NCDC), the National Agricultural Co-operative Marketing Federation (NAFED).

The co-operative marketing presents a pyramid structure. At the primary level, Primary Marketing Societies are operated at the intermediate level Central Cooperative Marketing Societies are functioning and at the top level State Marketing Societies are working. The co-operative marketing societies have both two and three-tier structure. In the states of Assam, Bihar, Kerala, Madhya Pradesh, Karnataka, Orissa, Rajasthan and West Bengal, there is a two-tier pattern with primary marketing societies at the taluka level and state marketing federation as apex body at the state level. In other states, there is three-tier system with district marketing society in the middle. At the national level, NAFED serves as the apex institution.

The pattern of the three-tier structure has been described as follows:

1. Primary Co-Operative:

At the base level there are primary cooperative marketing societies. These societies market the product of the producer members in that area. They may be single commodity or multi-commodity societies depending upon the production of the rural products in the area. Primary marketing co-operatives are those which are operating in the small and limited area, may be either a taluka or a block. The members are the producers engaged in production of rural produce. These co-operatives will either buying from members or acting as agents for the grower producers to sell, on behalf of them. They sell the members' produce directly to consumers or industrial users. They make advances of loans to the members on the security of their produce. They also provide for manures, fertilisers, equipment etc.

2. Central or District Level Co-Operative Societies:

After the primary co-operative societies operating at block level, there are cooperative marketing societies covering a larger area or a district. These district level co-operative societies are called federations or marketing unions. These are engaged in the task of buying selling and extending credit facilities to primary cooperative societies. Their main job is to market the produce brought for sale by the primary co-operative marketing societies of the area. These are located in the secondary wholesale markets and generally offer a better price for the produce. The primary cooperative marketing societies are members of these unions in addition to the individual producer members. In the two-tier structure, the state societies perform the functions of district level societies by opening branches throughout the district.

3. State Marketing Societies:

At the State level there are apex body that is State Co-operative marketing societies which serve the state as a whole. Their members both the primary co-operative societies and the Central Cooperative Union of the State. They are above the level of central co-operative marketing societies which is grown as a provincial society. The basic function of these is to co-ordinate the activities of the affiliated societies and conduct such activities as inter-State trade, export-import, procurement, distribution of inputs and essential consumer goods, dissemination of market information and rendering expert advice on the marketing of rural produce. They undertake the task of granting credit that facilitates needy and deserving co-operatives, whether primary or central. Further, membership is extended to individuals of repute. These societies are to act as the lenders of last resort. In addition, the State Marketing Co-operative Society is expected to co-ordinate the activities of different societies at the primary level and bring about, overall sound development of co-operative

structure. It is at commanding height to watch the activities of primary and central co-operatives. In fine, we conclude, that unfortunately, the pyramid structure is neither well-knit nor well developed because all co-operatives are not co-operating with one another. This is the sorry state of affairs, as there prevails ‘step mother policy’ in business relations which is acting as the strong impediment for the success of co-operative societies. At present, the co-operative marketing is having 30 state level co-operative societies, 180 District level societies and 2900 primary co-operative societies and 3490 Special Commodities Societies.

COOPERATIVE MARKETING MAIN FUNCTIONS OF CO-OPERATIVE MARKETING SOCIETIES

- Purchase and Sale of Produce – The marketing co-operatives purchase the produces from their member growers and sell it in bulk quantities, which enables them to reduce marketing cost and earn fair returns.
- Distribution of Agricultural Inputs – The co-operatives supply the agricultural inputs such as seeds, fertilizers, pesticides, agricultural implements etc., the supply of quality materials at reasonable prices save cost of the member producers. Sometimes these inputs may be also given on credit basis.
- Providing Storage Facility – To provide storage facilities, the societies may have their own godown or hired godown.
- Supply of Agricultural Implements – They supply the needed agricultural implements like tractors, tillers, power sprayers etc., on rent basis to the cultivators for the purpose of production.
- Provide Financial Assistance – They make credit facilities to the members against the security of the produce brought for sale. Members get advances up to 75 percent of the market value of the produce deposited.

- Processing of Produce – Some societies undertake processing of agricultural produce, which ensures high prices to the producers after processing.
- Providing Transportation Facility – The co-operative societies make arrangements for the transport of the produce of the members from the villages to the market on collective basis, which reduces the transportation costs for its members.
- Providing Market Information – They provide latest information about the new techniques of production as well as the market information about the market prices from time to time, which will help the members to get a good price for their produce.
- Stable Price – The societies adjust the supply of commodities according to the market demand. In this way, in long run the prices get stabilised, which helps the farmers from the evil effects of the seasonal price fluctuations.
- Participation in Foreign Trade – These co-operative societies participate in the export trade of the country, which helps to get better prices for the growers. Through export trade, the marketing co-operatives provide wide market to the agricultural produce. The share of agricultural exports in India's total exports is around 16 percent.

COOPERATIVE MARKETING IN TAMILNADU

Tamil Nadu occupies an important place in the history of cooperatives since the first cooperative societies for agricultural loan and consumer stores were established in Tamil Nadu. The cooperative societies play a vital role not only in agricultural development and consumer service, but also in sectors such as housing, textiles, dairy and fisheries which contribute significantly to the economic development of the state. At present there are 25,768 cooperative societies functioning in the state. These objectives are fulfilled through 113

primary co-operative marketing societies functioning in Tamil Nadu. Tamil Nadu Cooperative Marketing Federation is the apex institution of cooperative marketing societies in all the districts except Nilgiris, Thanjavur, Tiruvarur and Nagapattinam. Thanjavur Cooperative Marketing Federation is functioning as apex society for the cooperative marketing societies in Thanjavur, Tiruvarur and Nagapattinam districts.

TAMIL NADU COOPERATIVE MARKETING FEDERATION

Tamil Nadu Cooperative Marketing Federation was started in the year 1959. Tamil Nadu Cooperative Marketing Federation plays a vital role in the distribution of chemical fertilizers and pesticides. The Federation acts as an agent of National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED) for undertaking support price operations in Tamil Nadu. The Federation is also operating a fertilizer plant at Pamani in Tiruvarur District.

NEED AND SIGNIFICANCE OF THE STUDY

In Marketing cooperatives, commodity wise target and achievement hit the working performance, which resulted into low profitability, poor capital base and inadequate working capital size of the agricultural cooperative marketing societies. This trend would question the sustainability of these marketing cooperatives in the long run. Therefore, to assess the real picture, a research study is needed to evaluate the Cooperative Marketing Societies.

OBJECTIVES OF THE STUDY

1. To analyze the financial performance of Tiruchengode Agricultural Producers Cooperative Marketing Society Limited and Rasipuram Agricultural Producers Cooperative Marketing Society Limited of Namakkal District of Tamilnadu.

2. To examine the working performance of Tiruchengode Agricultural Producers Cooperative Marketing Society Limited and Rasipuram Agricultural Producers Cooperative Marketing Society Limited of Namakkal District of Tamilnadu.

METHODOLOGY

The study is based on the secondary data. The data has been collected from Annual records and audit reports of Tiruchengode Agricultural Producers Cooperative Marketing Society Ltd., (TAPCMS Ltd.) and Rasipuram Agricultural Producers Cooperative Marketing Society Ltd., (RAPCMS Ltd.) in Namakkal District of Tamilnadu. To understand the financial performance and working performance of Tiruchengode Agricultural Producers Cooperative Marketing Society Limited and Rasipuram Agricultural Producers Cooperative Marketing Society Limited of Namakkal District of Tamilnadu, simple statistical tool like percentages have been calculated for the five years data.

PERIOD OF THE STUDY

The five-year period from 2016-2017 to 2020-21 has taken into consideration for the study.

LIMITATION OF THE STUDY

- The study is fully based on the information given by the Society
- The study is conducted for the period of 5 years from 2016-2017 to 2020-2021

DATA SOURCE

- Annual Reports and Ledgers of Tiruchengode Agricultural Producers Cooperative Marketing Society (TAPCMS).

- Annual Reports and Ledgers of Rasipuram Agricultural Producers Cooperative Marketing Society (RAPCMS).

VARIABLES

The following variables have been identified from the both the Tiruchengode Agricultural Producers Cooperative Marketing Society Limited and Rasipuram Agricultural Producers Cooperative Marketing Society Limited of Namakkal District of Tamilnadu to understand the financial performance and working performance are as follows;

- Membership
- Share Capital
- Reserves
- Working Capital
- Deposits
- Loans
- Turnover
- Sales of Agricultural Commodities
- Sales of Non-Agricultural Commodities
- Gross Profit
- Net Profit

Chapter Scheme

The present dissertation study is classified in to four chapters, first chapter indicates introduction and design of the study, second chapter reflects on profile of TAPCMS Ltd., And RAPCMS Ltd., In Namakkal District of Tamilnadu, third chapter delas with the growth and performance of TAPCMS Ltd., And RAPCMS Ltd., In Namakkal District of Tamil Nadu, and fourth (final) chapter shows findings and conclusion.

CHAPTER-II

PROFILE OF TAPCMS LTD., AND RAPCMS LTD., IN NAMAKKAL DISTRICT OF TAMILNADU.

PROFILE OF TIRUCHENGODE AGRIL. PRODUCERS CO-OP. MARKETING SOCIETY LTD., (TAPCMS LTD.,)

In order to eliminate the monopoly roles and to control the middlemen and cut-throating competitors between the line of production and sales, The Tiruchengode Agril. Producers Co-op. Marketing society Ltd., (TAPCMS Ltd.,) Tiruchengode was started on 30.4.1930 at the foot hill of Lord Arthanareeswara having registered on 16.04.1930 to give up liftment to the farmers and other agricultural members. The area of operation of the society is confined to the whole of Salem and Namakkal Districts in respect of coverage and admission of agricultural members. However, it shall be extended to the limits of the state of Tamilnadu in the case of dealers only.

Objectives of TAPCMS Ltd:

The main objects of the society are:

- Selling the products produced by the farmers at good prices.
- Providing advance and pledge loan on agricultural products.
- Recovery of crop loans provided by Primary Agricultural Co-operative Credit Societies from the product sales amount carried out through the Credit Sales Linkage Scheme.
- Selling agricultural inputs and equipment to farmers at low prices.
- Distribution of essential commodities and groceries for the livelihood of the farmers.
- Receiving deposits from members and issuing jewel loans.

Branches:

The society is having two branches; one at Konganapuram, which was started on 05.12.1936 and the other at Mallasamudram, which was started on 16.7.1975. Also, there are seasonal agri. Marketing centers at Thevoor, Jalagandapuram and Mamundi.

Functions of TAPCMS Ltd.,:

- The primary function of the Society is to market the agricultural produce at good prices. Sales are being carried out through the Society head office and branches, as well as by setting up seasonal sales centre.
- Provides vehicle facility at minimum & reasonable rent to agricultural members to bring their agricultural produce to the Society from their locations for marketing.
- Society also provides required gunny bags for farmers to bring their produce to the Society for marketing.
- Major agricultural produce marketing by the Society is Turmeric, Cotton, Coconut kernels, Groundnut, Sesame, Castor seeds, Sunflower seeds, Maize
- The Society provides quality farm implements and input requirements for Agriculture, in a timely manner.
- The Society provides pledge loans to the farmer members.
- The Society provides godown facility to farmer members to store their agricultural produce and sale at good price as well as avail pledge loan.
- The Society provides loans like Pledge loan and jewel loan to its members.
- The Society is producing value added products like Turmeric powder, Groundnut oil, Gingelly oil, Coconut oil, Rice, Pulse varieties and Neem cake.

- Under the Government Public Distribution Scheme, the Society acts as lead society in the Tiruchengode Taluk, distributing controlled and Non controlled goods to 257 fair price shops in the affiliated societies in the Tiruchengode and Kumarapalayam Taluk.
- The Self-Service Section was established in 1995 at the head office of the society and has been selling affordable and quality groceries, cosmetics, plastic products, home appliances and soaps.
- The society as a distributor of Indane Gas, distributes L.P gas cylinders, stoves and appliances to the public of Tiruchengode town from 1984. The society maintains 19648 domestic and 2974 Non-domestic LPG connections in Tiruchengode Town.
- The society has been appointed as a stockist for Servo Lubricants of Indian Oil Corporation Ltd., since 12.09.2003 at Salem.
- The society has also been appointed as the Retail dealer of the Indian Oil Corporation for the sale of petrol and diesel in the premises of the society at Tiruchengode.
- The society distributes drugs and medicines for human beings, at reduced rates offering up to 20% discount to the customers and that it stabilizes the market price.
- For meeting the house and other building construction requirements, the society purchases ISI Mark Iron Rods from reputed concerns like TATA TISCON, RAN-INDIA & JSW ranging from 6mm to 25mm and distributes to the public.

Management of TAPCMS Ltd.,

Management is best conducted with 11 members of the Board of Directors including the Chairman and a Managing Director in the position of Co-Registrar appointed by the Government of Tamilnadu.

PROFILE OF RASIPURAM AGRICULTURAL PRODUCERS CO-OP. MARKETING SOCIETY LTD., (RAPCMS LTD.,)

In order to eliminate the monopoly roles and to control the middlemen and cut-throating competitors between the line of production and sales, The Rasipuram Agricultural Producers Co-Operative Marketing Society Limited (RAPCMS) was registered on 02.04.1929 and started functioning from 25.08.1929. It is headquartered at Rasipuram Taluk of Namakkal District. Rasipuram is the working boundary of the RAPCMS throughout the revenue circle.

Objectives of RAPCMS Ltd:

- Selling agricultural produce produced by farmers at good prices through auction.
- Providing grain compensation on agricultural products
- Reimbursement of crop loans provided by Primary Agricultural Co-operative Credit Societies from the product sales amount carried out through the Credit Sales Linkage Scheme.
- Selling agricultural inputs to farmers at low prices.
- Providing jewelry loans to members.

Branches:

The Namagiripettai branch and the R. Goundampalayam branch of the association started functioning in 1993 and are functioning well. In addition, the Akkaraipatti Primary Agricultural Cooperative Credit Union has set up a sales center during the season to sell agricultural produce through cotton. Apart from this, the Vennandur Service Center has been providing jewel loans since 2009

and has been overseeing the operations of Amma Pharmacy and the Public Distribution Stores operating in Vennandur.

Functions of RAPCMS Ltd.,:

- The primary function of the Society is to market the agricultural produce at good prices. Sales are being carried out through the Society head office and branches, as well as by setting up seasonal sales centre.
- Major agricultural produce marketing by the Society is Turmeric, Cotton, Coconut kernels, Groundnut, Sesame, Castor seeds, Sunflower seeds, Maize
- The Society provides quality farm implements and input requirements for Agriculture, in a timely manner.
- The Society provides pledge loans to the farmer members.
- The Society provides godown facility to farmer members to store their agricultural produce and sale at good price as well as avail pledge loan.
- The Society provides loans like Pledge loan and jewel loan to its members.
- Under the Government Public Distribution Scheme, the Society acts as lead society in the Tiruchengode Taluk, distributing controlled and Non controlled goods to 257 fair price shops in the affiliated societies in the Tiruchengode and Kumarapalayam Taluk.
- The society as a distributor of Indane Gas, distributes L.P gas cylinders, stoves and appliances to the public of Rasipuram town from 10.06.1988, with 300 consumers, now the society maintains 18471 domestic and 636 Non-domestic LPG connections in Rasipuram Town.
- RAPCMS Ltd., Started its Cooperative Medical store at Vennadhur on 16.11.2014 and at Rasipuram town on 27.10.2010, Through its medical stores, the society distributes drugs and medicines for human beings, at

reduced rates offering up to 20% discount to the customers and that it stabilizes the market price.

- Indian Oil Corporation has been appointed S.318.Rasipuram Agricultural Producers Co-operative Marketing Society as the distributor of petrol and diesel by order dated 26.02.2021. To set up a petrol and diesel outlet at the Namagiripettai branch of the Society. The activities are being carried out by the Society.

CHAPTER-III

GROWTH OF TAPCMS LTD., AND RAPCMS LTD., IN NAMAKKAL DISTRICT OF TAMILNADU.

MEMBERSHIP

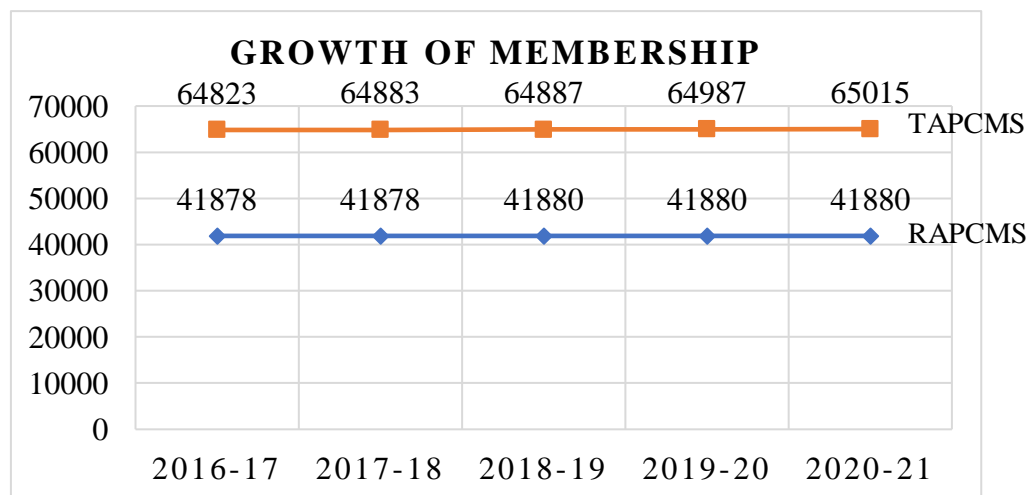
The membership of the APCMS is classified in to two types viz., Members and associate members. Members are eligible to get all kinds of loans and also have right to vote in the general body meeting. An associate member shall not be entitled to participate in the general body meeting and has no voting right, only get the services from the society.

Table-3.1 Growth of Membership of RAPCMS & TAPCMS

Year	RAPCMS	TAPCMS
2016-17	41878 (19.99%)	64823 (19.97%)
2017-18	41878 (19.99%)	64883 (19.99%)
2018-19	41880 (20.00%)	64887 (19.99%)
2019-20	41880 (20.00%)	64987 (20.02%)
2020-21	41880 (20.00%)	65015 (20.02%)
Total	209396	324595

Source: Annual Report of RAPCMS & TAPCMS

Chart-3.1 Growth trend of Membership of RAPCMS & TAPCMS



INTERPRETATION

From the above table it is clear that membership has been gradually increasing during the study period for TAPCMS, but membership of RAPCMS found no increase from 2018-19 to 2020-21.

SHARE CAPITAL

Share capital is one of the sources of agricultural producers cooperative marketing society. The share capital is collected from the member who availing loan or services from the APCMS.

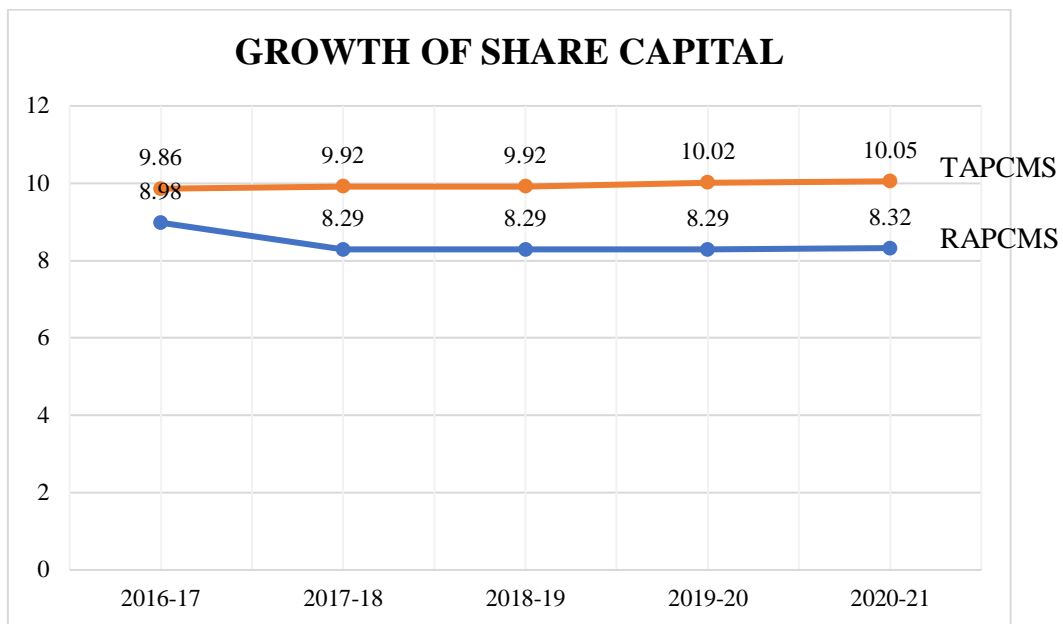
Table-3.2 Growth of Share Capital of RAPCMS & TAPCMS

(Value in Lakh)

Year	RAPCMS	TAPCMS
2016-17	8.98 (21.29%)	9.86 (19.81%)
2017-18	8.29 (19.66%)	9.92 (19.93%)
2018-19	8.29 (19.66%)	9.92 (19.93%)
2019-20	8.29 (19.66%)	10.02 (20.13%)
2020-21	8.32 (19.73%)	10.05 (20.19%)
Total	42.17	49.77

Source: Annual Report of RAPCMS & TAPCMS

Chart-3.2 Growth trend of Share Capital of RAPCMS & TAPCMS



INTERPRETATION

From the above table it is clear that share capital has been gradually increasing during the study period for TAPCMS, but for RAPCMS share capital gets decrease in the year 2017-18 and starts increasing gradually.

RESERVES

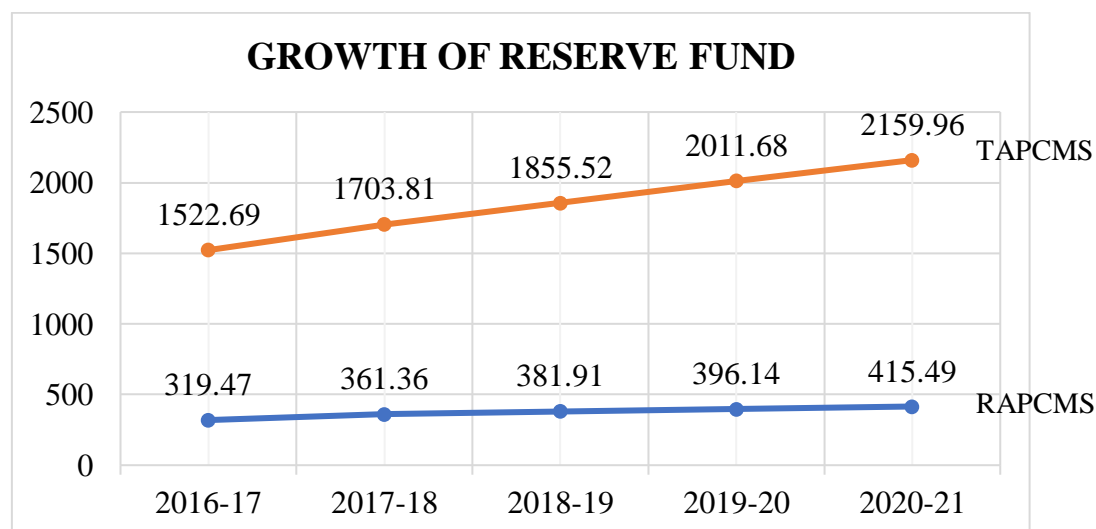
There are several types of reserves created to strengthening the financial position of the society. They are statutory reserves bad debts reserves, overdue reserves and other kinds of reserves all together created during the course of audit. The fixation is due to creation of reserves for the overdue loan and interest and also for statutory reserves.

Table-3.3 Growth of Reserve Fund of RAPCMS & TAPCMS

(Value in Lakh)		
Year	RAPCMS	TAPCMS
2016-17	319.47 (17.04%)	1522.69 (16.46%)
2017-18	361.36 (19.28%)	1703.81 (18.41%)
2018-19	381.91 (20.38%)	1855.52 (20.05%)
2019-20	396.14 (21.13%)	2011.68 (21.74%)
2020-21	415.49 (22.17%)	2159.96 (23.34%)
Total	1874.37	9253.66

Source: Annual Report of RAPCMS & TAPCMS

Chart-3.3 Growth trend of Reserve Fund of RAPCMS & TAPCMS



INTERPRETATION

From the above table it is clear that Reserve fund has been gradually increasing during the study period for TAPCMS and RAPCMS.

WORKING CAPITAL

Working capital consists of owned fund and borrowed fund. The owned fund means share capital and reserves. Borrowed fund means deposits and other borrowings.

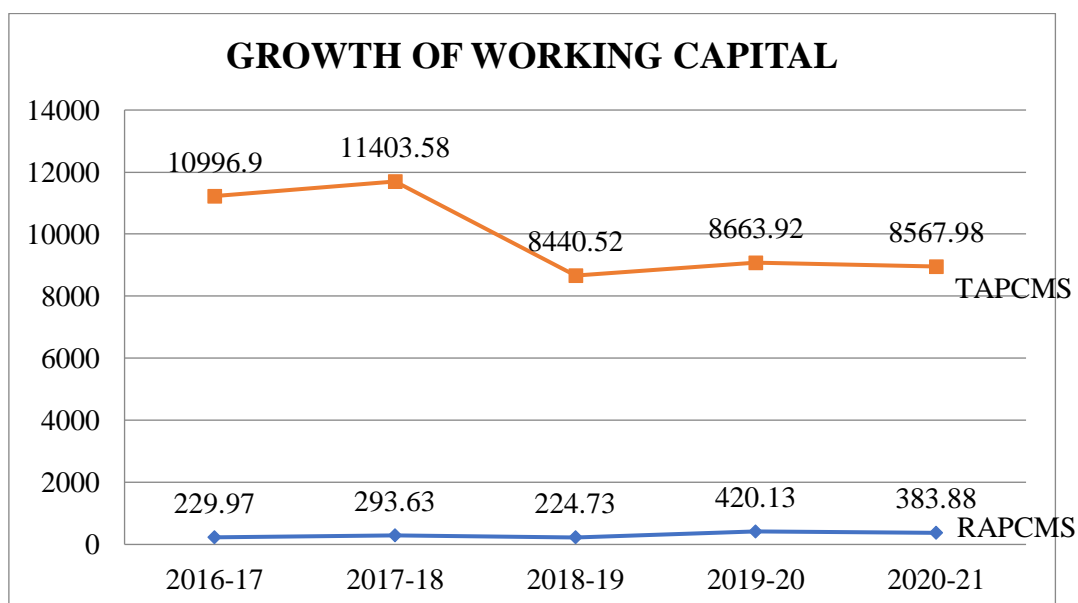
Table-3.4 Growth of Working Capital of RAPCMS & TAPCMS

(Value in Lakh)

Year	RAPCMS	TAPCMS
2016-17	229.97 (14.81%)	10996.9 (22.88%)
2017-18	293.63 (18.92%)	11403.58 (23.72%)
2018-19	224.73 (14.48%)	8440.52 (17.56%)
2019-20	420.13 (27.06%)	8663.92 (18.02%)
2020-21	383.88 (24.73%)	8567.98 (17.82%)
Total	1552.34	48072.9

Source: Annual Report of RAPCMS & TAPCMS

Chart-3.4 Growth trend of Working Capital of RAPCMS & TAPCMS



INTERPRETATION

From the above table it is clear that Loan issued has been gradually increasing during the study period for TAPCMS and RAPCMS.

DEPOSITS

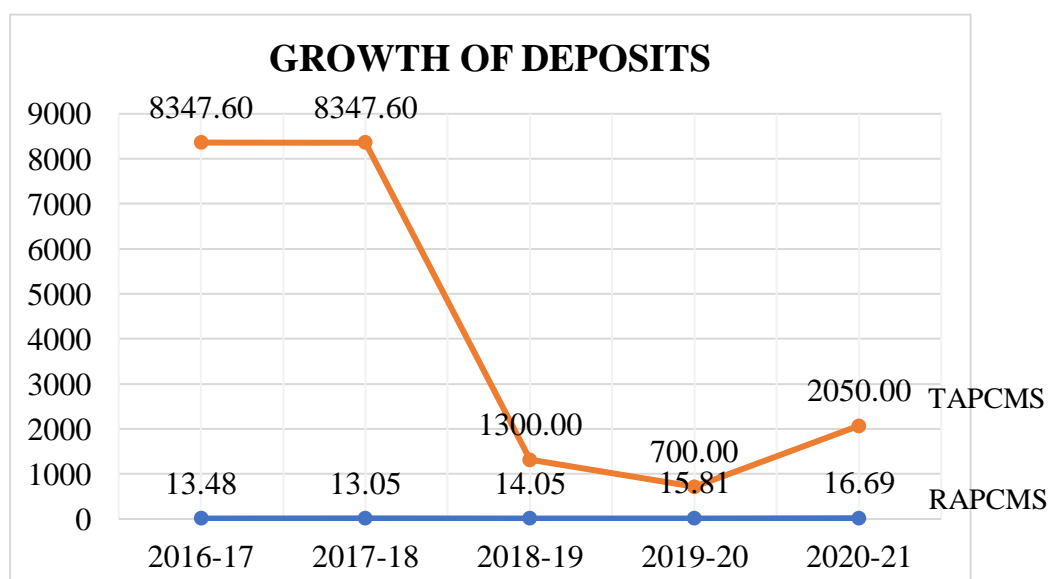
A fixed deposit is the deposits, which is not repayable before the expiry of a fixed period. A Certain minimum amount and Maximum period is prescribed up to which fixed deposits are received.

Table-3.5 Growth of Deposit of RAPCMS & TAPCMS

(Value in Lakh)		
Year	RAPCMS	TAPCMS
2016-17	13.48 (18.45%)	8347.6 (40.24%)
2017-18	13.05 (17.86%)	8347.6 (40.24%)
2018-19	14.05 (19.23%)	1300 (6.27%)
2019-20	15.81 (21.63%)	700 (3.37%)
2020-21	16.69 (22.84%)	2050 (9.88%)
Total	73.08	20745.2

Source: Annual Report of RAPCMS & TAPCMS

Chart-3.5 Growth trend of Deposit of RAPCMS & TAPCMS



INTERPRETATION

From the above table it is clear that Deposits has been gradually increasing during the study period for RAPCMS, but Deposits of TAPCMS was high on 2016-17 and 2017-18, and gets drastic drop during 2018-19 and 2019-20. It again increases on 2020-21.

LOAN

➤ Produce Pledge Loan

The Society is advancing loans on the pledge of produce so that the farmers can store their produce and sell them at a better price.

➤ Jewel Loan

The Society is advancing loans on the pledge of jewels of farmer members, for their agricultural needs.

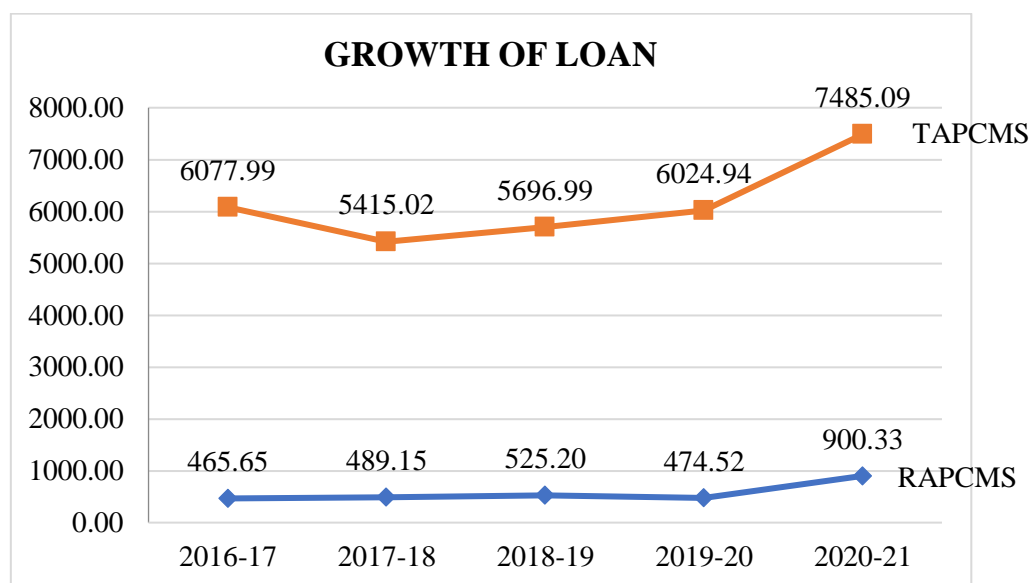
Table-3.6 Growth of Loan of RAPCMS & TAPCMS

(Value in Lakh)

Year	RAPCMS			TAPCMS		
	Jewel loan	Pledge loan	Total	Jewel loan	Pledge loan	Total
2016-17	417.55	48.1	465.65 (16.31%)	6077.99	0	6077.99 (19.80%)
2017-18	465.43	23.72	489.15 (17.13%)	5414.52	0.5	5415.02 (17.64%)
2018-19	471.2	54	525.2 (18.40%)	5668.79	28.2	5696.99 (18.56%)
2019-20	458.52	16	474.52 (16.62%)	6011.25	13.69	6024.94 (19.63%)
2020-21	860.93	39.4	900.33 (31.54%)	7427.93	57.16	7485.09 (24.38%)
Total			2854.85			30700.03

Source: Annual Report of RAPCMS & TAPCMS

Chart-3.6 Growth trend of Loan of RAPCMS & TAPCMS



INTERPRETATION

From the above table it is clear that Loan issued has been gradually increasing during the study period for TAPCMS and RAPCMS.

TURNOVER:

Turnover is the total amount of money, the society receives as a result of the sales from goods and/or services over a certain period of time.

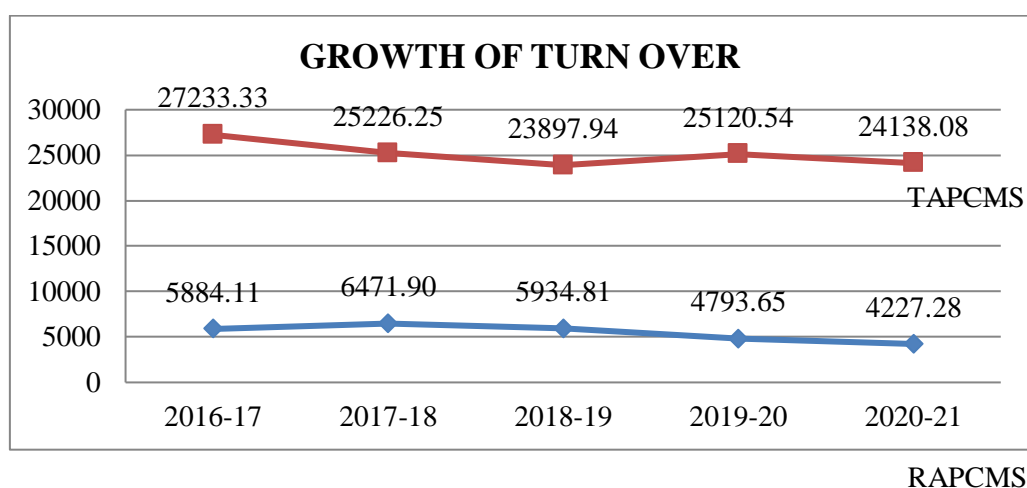
Table-3.7 Growth of Turnover of RAPCMS & TAPCMS

(Value in Lakh)

Year	RAPCMS	TAPCMS
2016-17	5884.11 (21.54%)	27233.33 (21.68%)
2017-18	6471.9 (23.70%)	25226.25 (20.08%)
2018-19	5934.81 (21.73%)	23897.94 (19.02%)
2019-20	4793.65 (17.55%)	25120.54 (20.00%)
2020-21	4227.28 (15.48%)	24138.08 (19.22%)
Total	27311.75	125616.14

Source: Annual Report of RAPCMS & TAPCMS

Chart-3.7 Growth trend of Turnover of RAPCMS & TAPCMS



INTERPRETATION

From the above table it is clear that Turnover has been gradually decreasing during the study period for TAPCMS and RAPCMS.

GROSS PROFIT:

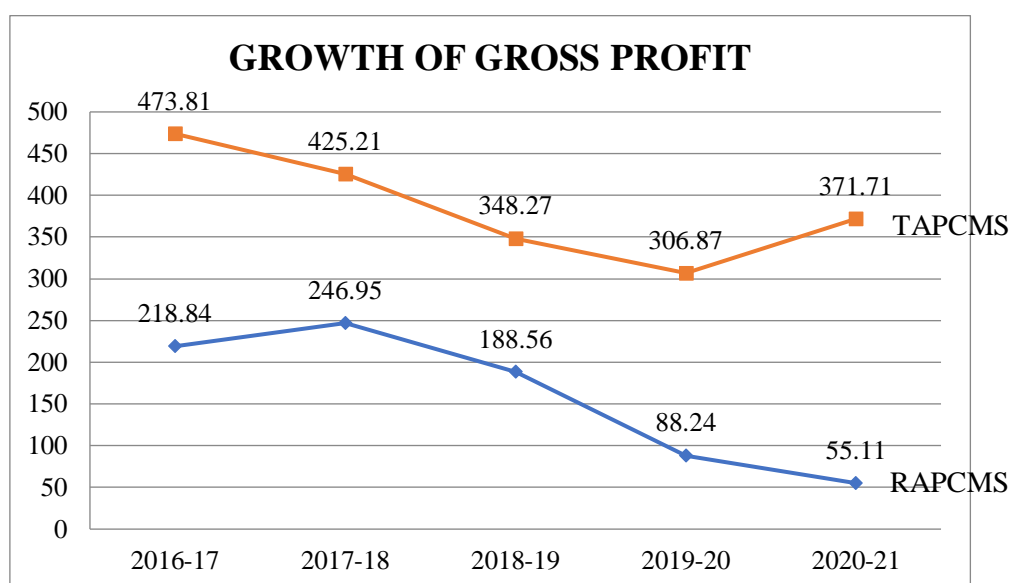
Gross profit is the profit, a business makes after subtracting all the costs that are related to manufacturing and selling its products or services. Gross profit can be calculate by deducting the cost of goods sold (COGS) from total sales.

Table-3.8 Growth of Gross Profit of RAPCMS & TAPCMS

Year	(Value in Lakh)	
	RAPCMS	TAPCMS
2016-17	218.84 (27.43%)	473.81 (24.60%)
2017-18	246.95 (30.96%)	425.21 (22.08%)
2018-19	188.56 (23.64%)	348.27 (18.08%)
2019-20	88.24 (11.06%)	306.87 (15.93%)
2020-21	55.11 (6.91%)	371.71 (19.30%)
Total	797.70	1925.87

Source: Annual Report of RAPCMS & TAPCMS

Chart-3.8 Growth trend of Gross Profit of RAPCMS & TAPCMS



INTERPRETATION

From the above table it is clear that Gross Profit has been gradually decreasing during the study period for TAPCMS and RAPCMS. In 2020-21, TAPCMS has the raising trend.

NET PROFIT:

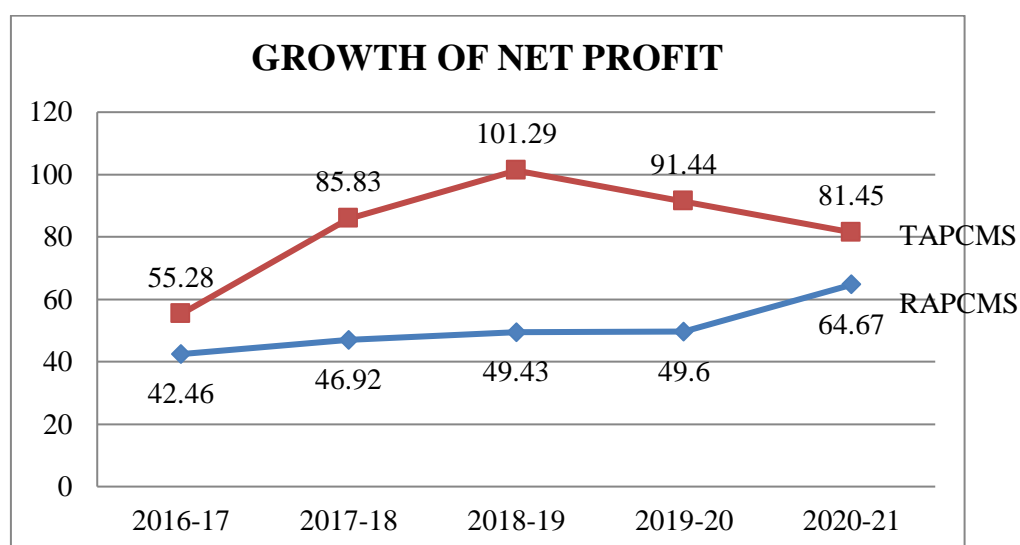
Net profit is the amount of money that business earns after deducting all operating, interest, and tax expenses over a given period of time.

Table-3.9 Growth of Net Profit of RAPCMS & TAPCMS

Year	(Value in Lakh)	
	RAPCMS	TAPCMS
2016-17	42.46 (16.78%)	55.28 (13.31%)
2017-18	46.92 (18.54%)	85.83 (20.67%)
2018-19	49.43 (19.53%)	101.29 (24.39%)
2019-20	49.6 (19.60%)	91.44 (22.02%)
2020-21	64.67 (25.55%)	81.45 (19.61%)
Total	253.08	415.29

Source: Annual Report of RAPCMS & TAPCMS

Chart-3.9 Growth trend of Net Profit of RAPCMS & TAPCMS



INTERPRETATION

From the above table it is clear that Net Profit of RAPCMS gradually increasing during the study period, but Net profit of TAPCMS gradually increasing upto 2018-19 and starts decreasing.

SALE OF AGRICULTURAL COMMODITY:

Sale of Agricultural Commodity plays vital role in increasing turnover and profitability of the cooperative marketing society.

Table-3.10 Growth of Sale of Agricultural Commodity of RAPCMS & TAPCMS

Year	RAPCMS		TAPCMS	
	Quantity (MT)	Sales Value (Lakh)	Quantity (MT)	Sales Value (Lakh)
2016-17	3774.701 (19.97%)	2764.66 (22.73%)	19000.747 (22.19%)	12207.31 (24.06%)
2017-18	5344.295 (28.28%)	3387.52 (27.86%)	19304.972 (22.55%)	11413.31 (22.50%)
2018-19	4249.815 (22.48%)	2703.42 (22.23%)	14991.296 (17.51%)	9139.35 (18.01%)

2019-20	3214.278 (17.01%)	1934.79 (15.91%)	17063.837 (19.93%)	10145.02 (20.00%)
2020-21	2317.663 (12.26%)	1370.71 (11.27%)	15251.413 (17.81%)	7831.44 (15.44%)
Total	18900.752	12161.1	85612.265	50736.43

Source: Annual Report of RAPCMS & TAPCMS

Chart-3.10 Growth trend of Sale Quantity of Agricultural Commodity of RAPCMS & TAPCMS

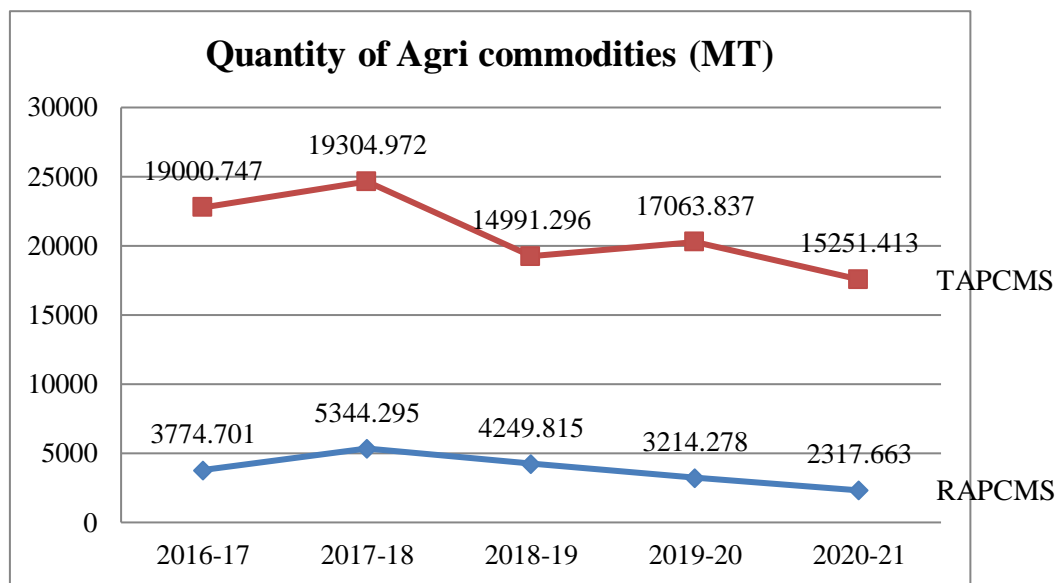
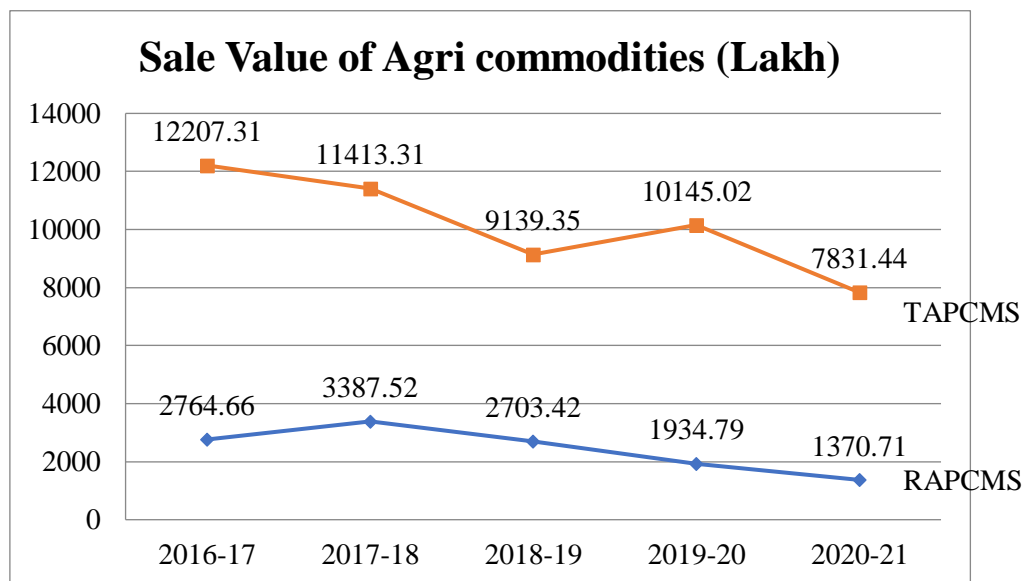


Chart-3.11 Growth trend of Sale Value of Agricultural Commodity of RAPCMS & TAPCMS



INTERPRETATION

From the above table it is clear that Sale of Agricultural commodities of RAPCMS and TAPCMS were gradually decreasing during the study period.

SALE OF NON-AGRICULTURAL COMMODITY:

Sale of Non-Agricultural Commodity plays vital role in increasing turnover and profitability of the cooperative marketing society.

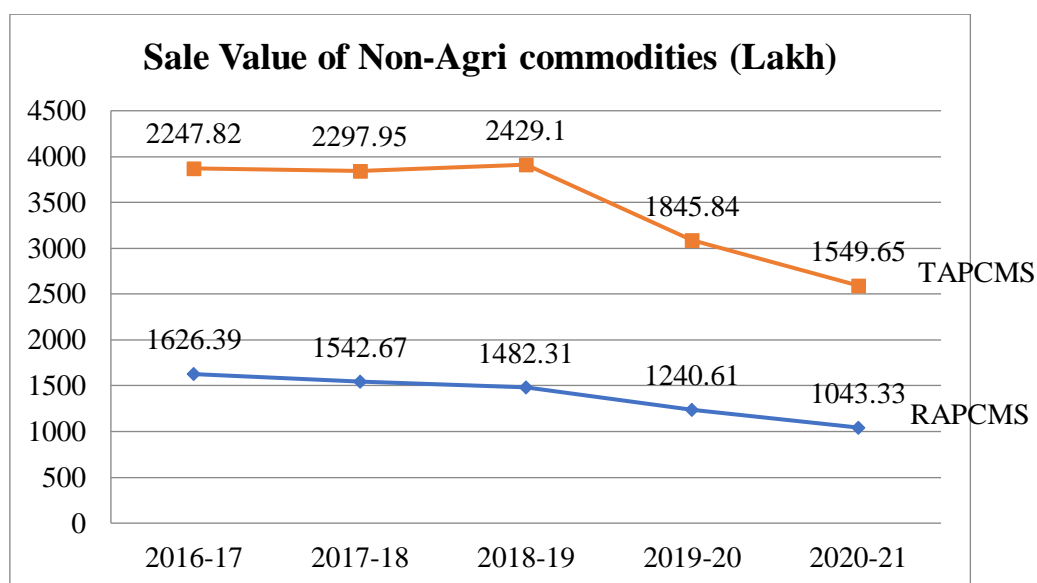
Table-3.11 Growth of Sale of Non-Agricultural Commodity of RAPCMS & TAPCMS

(Value in Lakh)

Year	RAPCMS	TAPCMS
	Sales Value (Lakh)	Sales Value (Lakh)
2016-17	1626.39 (23.45%)	2247.82 (21.68%)
2017-18	1542.67 (22.24%)	2297.95 (22.16%)
2018-19	1482.31 (21.37%)	2429.10 (23.42%)
2019-20	1240.61 (17.89%)	1845.84 (17.80%)
2020-21	1043.33 (15.04%)	1549.65 (14.94%)
Total	6935.31	10370.36

Source: Annual Report of RAPCMS & TAPCMS

Table-3.12 Growth trend of Sale of Non-Agricultural Commodity of RAPCMS & TAPCMS



INTERPRETATION

From the above table it is clear that Sale of Non-Agricultural commodities of RAPCMS and TAPCMS were gradually decreasing during the study period.

CHAPTER-IV

FINDINGS AND

CONCLUSION

SUMMARY AND CONCLUSION

The financial performance and working performance of both sample marketing cooperative societies are recorded in some of the identified variables are indicated as positive growth and some of the identified variables are reflected negative growth could be observed. Accordingly, Membership, Reserve Fund, and Share Capital of the both TAPCMS and RAPCMS are recorded positive growth during the study period. The Working Capital, Turnover, Gross Profit, Sale of Agricultural Commodities, and Sale of Non-Agricultural Commodities are indicated negative growth during the study period.

Based on the analysis, the following finding have been found and furnished;

FINDINGS

- The Membership and Share capital of both the societies were in increasing trend.
- The Reserve Fund also in increasing trend for both the societies.
- The Working capital is in decreasing trend for both the societies.
- The Turnover of both the societies were in decreasing trend.
- The Gross profit of TAPCMS is decreasing as well as the Net Profit also decreasing.
- The Gross profit of RAPCMS is decreasing, but the Net Profit is in increasing trend.
- The Sale of Agricultural commodities of both the societies were in decreasing trend.
- The Sale of Non-Agricultural commodities of both the societies were in decreasing trend.
- Both the societies are in “A” Classification in the Audit.

- Apart from marketing of agricultural produce, TAPCMS is producing value added products like Ground nut oil, Gingelly Oil, Coconut oil, Turmeric powder, etc., in the brand name of “Arthanareeswara”
- The Financial position of TAPCMS is good as compared to RAPCMS
- In order to increase the profitability, TAPCMS is having various Non agri. Commodity sales like Indian oil Retail Outlet, Indian oil – SERVO stockistship, Steel Dealership, Coop. Super market.
- Overall performance of both the societies were affected by pandemic situation for last two year.
- Both the societies are implementing the E-trading facility.

SUGGESTIONS

- The Societies should increase the marketing of agricultural produce, by conducting awareness campaign about the cooperative marketing societies in nearby villages.
- The Societies should increase the membership.
- RAPCMS should produce the value-added products like TAPCMS to increase the profitability.
- RAPCMS should increase the Non agri commodity sales to increase the profitability.
- The Net profit of TAPCMS is low when compare to RAPCMS, Thus the TAPCMS should expenditures like operating cost.
- The Societies should educate farmers members about the latest technologies in agriculture.
- The Societies should have adequate man power to handle the marketing activities in effective manner.

- The good practices of the well performing society should be adopted by the other society.
- The pricing of agricultural commodity should be send to farmers members by messages to mobile, so that the farmer member may aware of the market price of the of agricultural commodity.

CONCLUSION

The Study is on working performance of Agricultural Producers Cooperative Marketing Societies in Namakkal District of Tamilnadu, reveals that the Cooperative marketing societies are performing well and good in Namakkal district of Tamilnadu. The implement the latest technology in marketing activities like E-trading, producing value added products from agricultural produce shall give fruitful result to the farmer members. The bonding between farmer members and the cooperative marketing society will definitely enhance the cooperative culture among the nation.

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ACTION RESEARCH

The analysis clearly reflected with respect of position of financial performance and working performance of the TAPCMS and RAPCMS. Accordingly, some of the variables have indicated negative growth and performance of the TAPCMS and RAPCMS. To over come those problems, the following action research may be implemented by the TAPCMS and RAPCMS are as follows;

1. To strengthen the working capital, sale of agricultural commodities, sale of non agricultural commodities, turnover, and increase of gross profit of the TAPCMS and RAPCMS, the both the marketing societies should consider as mentioned below;
 - (a) To conduct more and more awareness programmes about the benefits of the sale of agricultural commodities through Cooperative marketing society at the gross root level. Awareness programmes like Campaign at public gatherings, Farm visits, and Social welfare activities shall be carried out during harvesting seasons.
 - (b) The Board of Management should implement productive activities like establishment of retail outlets in addition to existed outlets, additional value added products manufacturing units and sale of Non-agricultural commodities within December-2022.
 - (c) The Board of Management should take right decision while identifying the potential members to disbursement of productive loans consistently.
