Dissertation Report on the performance of The Meghalaya State Cooperative Marketing And Consumers' Federation Ltd. in relation to the Marketing Cooperative Societies in the East Khasi Hills District, Meghalaya Submitted

in partial fulfillment of the requirement of the 56th Post Graduate Diploma in Cooperative Business Management, 2022 (PGDCBM 2ND SEMESTER)

SUBMITTED BY:

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Submitted to

THE PROGRAMME DIRECTOR

CENTRE FOR COOPERATIVE MANAGEMENT

VAIKUNTH MEHTA NATIONAL INSTITUTE OF COOPERATIVE MANAGEMENT

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CERTIFICATE

This is to certify that this project is a bonafide work done by Anthony Wahlang Participant Roll No. 5623 and that this project is genuine

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DECLARATION

I hereby declare that the Dissertation Report entitled

"A Study the performance of The Meghalaya State Cooperative Marketing And Consumers' Federation Ltd. in relation to the Marketing Cooperative Societies in the East Khasi Hills District, Meghalaya"

Submitted for the Award of the 56th Post Graduate Diploma in Cooperative Business Management, 2022 – 23, is an original work done by me, participants Roll No 5623, Vaikunth Mehta National Institute of Cooperative Management (VAMNICOM) Pune.

I also declare that no part of this project has been submitted for the award of any other Degree or Diploma

Place : Vaikunth Mehta National Institute of Cooperative Management, Pune : 411007, Maharashtra

, 2023

Anthony Wahlang
Participants, 56th Post Graduate
Diploma in Cooperative Business Date:
Management, 2022, Roll No. 5623

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Anthony Wahlang Participants, 56th Post Graduate Diploma in Cooperative Business Management, 2022, Roll No. 5623

CONTENTS

Sl. No.	TOPICS	PAGE NO.	No. of Pages
Chapter - 1	Brief Historical Evolution of Co-operative Movement – Introduction	1	1
1.1	Co-operative Movement in the world	1 – 2	2
1.2	Co-operative Movement in India	3	1
1.3	Co-operative Movement in Meghalaya – Genesis 1.3 (a) Cooperative Movement by President. Meghalaya State Coop Union Ltd. Shillong.	4 – 5	2
1.4	Cooperatives in Meghalaya	6	1
1.5	Future of Cooperatives in Meghalaya	7 – 10	4
1.6	Cooperative Management and the reform it needs (List of all types of registered Cooperative Societies in Meghalaya as om 31 – 03 – 2022)	10 - 11	2
1.7	Objectives and Functions of Co-operative Marketing Societies	13 - 14	2
1.8	Need for Development of Co-operative Marketing	14 – 15	2
1.9	Marketing Co-operatives in Meghalaya, List of Marketing Cooperative Societies in Meghalaya as on 31.03.2022	15 - 16	2
	 1.9 (a) Aims and Objective of the Study 1.9 (b) Study Area and Date 1.9 (c) Methodology of the Study A. Tools and Techniques used for data collection B. Primary Data C. Secondary Data 1.9 (d) Scope of the Study 	17 - 18	2
Chapter - 2	The Meghalaya State Cooperative Marketing and Consumers' Federation Ltd. – Introduction	18	1
	 2.1 Objectives 2.2 Structure 2.3 Activities 2.4 Resource Position 2.5 Business Turn Over A. Strength of M.E.C.O.F.E.D. B. M.E.C.O.F.E.D. weaknesses C. Strategies 2.6 Staffing Pattern with Justification 2.7 Turn out per employees 2.8 Cost per employee 2.9 Flow of retiring employees 	19 - 22	4

Sl. No.	TOPICS	PAGE NO.	No. of Pages
Chapter – 3	The Pynursla Sub – Area Marketing Cooperative Society Ltd, Pynursla, Meghalaya 3.1 Introduction 3.2 Activities 3.2 (a) figure in chart diagram showing the performance for the last three years 3.2 (b) sales for the year 2019 - 20, 2020 - 21, 2021 – 22 3.2 (c) purchases for the year 2019 -20, 2020 - 21, 2020 - 21, 2021 - 22	23 - 26	4
Chapter – 4	Relation of the Pynursla Sub - Area Marketing Cooperative Society Ltd. with the Meghalaya State Cooperative Marketing and Consumers' Federation Ltd.	27	1
Chapter – 5	Findings and Suggestions 5.1 Findings 5.2 Suggestions	28 - 30	2
10	 Sources/Rerences: Annual Report of the Bank 2022 General file of the Shillong Cooperative Urban Bank Ltd. Books and Records maintained by the Shillong Cooperative Urban Bank Ltd. Interaction with the Chief Executive Officer, the Shillong Cooperative Urban Bank Ltd. Officer and staff Statistics records maintained by the Office of the Registrar of Cooperative Societies, Meghalaya, Shillong, Co-operation Department, Government of Meghalaya. Meghalaya - "Together We Strive": Stories of vibrant Meghalaya cooperatives - published by the office of the Registrar of Cooperative Societies, Meghalaya, Shillong. "Milestones Cooperative Movement Meghalaya" - published by the office of the Registrar of Cooperative Societies, Meghalaya, Shillong Adapted from a paper by O.P. Sharma, formerly of the History Cell. 	31	1

CHAPTER 1 (BRIEF HISTORICAL EVOLUTION OF CO-OPERATIVE MOVEMENT)

INTRODUCTION

1.1 - CO-OPERATIVE MOVEMENT IN THE WORLD

Co-operative movement started in the 1844 in England. This movement is known as Rochdale Pioneers. The employees of the Rochdale handicraft were very poor before the year 1844. Their earning could not help them buy new shirt and new clothes before the advent of Christmas in England. So they decided to spare monthly earning from the mill every month and by that small amount they could form a co-operative store in 1844. At the end of the year 1845 their cooperative store a earned huge amount and from the profit they have distributed to all its 100 members.

Before the advent of Christmas in 1845 each and every family could spare money from the profit they obtained from the Rochdale Mill and could buy new clothes. It started from that humble Rochdale Pioneers in England, the cooperative movement in co-operative stores spread in the whole of England and some parts of the world. This movement is known as consumers' co-operative movement of the Rochdale. It has been said in India that the Indian farmer born in debt, live in debt and die in debt.

The position of the Indian farmers uses to take loan from the Village Mahajans at very high rate of interest. Each and every year after their harvest they could not even repay their loans to the Village Mahajans, so their debt is carried from the father to the son from one year to another year. There are cases when the father dies, the burden of debt falls on the sons and there is nobody to rescue them (farmers) from the clutches of the Village Mahajans. Until the year 1904 the Government of the British crown in India passed the Agriculture co-operative credit Society Act in the whole of India.

According to this Act the farmers in India can form a co-operative credit co-operative Societies for the financial benefits of the farmers. These cooperative credits since 1904 could give short term loan to the farmers at a very low interest over the loan taken from the credit

co-operative societies. After four years that means in 1909 the Indian farmers could repay all their outstanding loans with interest to the Village Mahajans.

Hence, this Act, passed by the British crown in 1904 was a relief to the Indian farmers during the British rule. In the year 1961-62 the Government of India after Chinese aggression to India in 1962, there was deficiency in supply of the essential commodities to the farmers in the Assam Hill Areas of that period. Since 1963, the Government of India through the Assam State Government allowed to organize and register several consumers.

Co-operative Stores as a channel for distribution of the controlled and the uncontrolled commodities. These consumers co-operative Stores are still working in the state of Meghalaya till date for the supply of essential commodities to the Members and Non-members of the consumers co-operative Stores.

The introduction of TARLOK SING Scheme who was the member pf the planning commission 1964. The Government of India enunciated this Scheme for the development of the Assam Hill Areas in 1965. According to this scheme they have organized and registered Sub- Area Co-operative Marketing Co-operative Societies in the Hills Areas of Assam. Under this scheme there were organized and registered service co-operative' societies about seven such societies falling within each Sub-Area Co-operative Marketing Society.

These co-operative societies had served to some extend for the marketing of the Agricultural products of then farmers and in the mean time they brought essential commodities and distributed to the members of the co-operative societies. Most these Marketing co-operative societies and service co-operative societies have been sent to Liquidation but some are still functioning for the marketing of the Farmer's Products within and outside the state.

Early in the twentieth century, the cooperative movement spread to India and gradually to other Asian and African countries; mainly courtesy of the colonial administrators. The co-operative movement became a form of business organization recognized as an international movement.

1.2 - CO-OPERATIVE MOVEMENT IN INDIA

India is a developing country facing number of problems, such as the population explosion, low productivity, inequalities, low living standards, inflation and so on. India consisting of 16% of the world's population sustains only on 2.4% of land resource. Agricultural sector is the only livelihood to the two-third of its population which gives employment to the 57% of work force and is a source of row material to large number of industries.

In the context of globalization of rural development perspectives, the developing countries like India, needs to devote greater attention towards rural development. The country's economic structure is undergoing fundamental changes as a result of the policy of liberalization and de-regulation.

Co-operative movement in India is one of the largest movements in the world. Co-operative movement has made tremendous progress in every aspects of the Indian economy.

Co-operative activities occupy a major place in the sphere of the Indian economy. Initially, the co-operative movement was started with a limited scope of activities of rural credit but now it has entered in all fields of economic activity with social essence.

Co-operative movement has been recognized as an effective instrument for the economic development of the rural masses and for improvement in the socio-economic condition of the poor.

The co-operative movement in India was basically organized against the moneylenders to rescue farmers from the clutches of the poverty and indebtedness. The need for agricultural credit through co-operatives felt because of rural indebtedness.

1.3 - CO-OPERATIVE MOVEMENT IN MEGHALAYA

Genesis

The origin of Cooperative Movement in Meghalaya can be traced from 1904 during the British Rule in the composite Assam state when the first Cooperative Urban Bank of the North East was set up in Shillong on 3 Sept 1904 in the name of 'The Shillong Cooperative Town Bank Ltd'. The Bank was organized by the Government employees and it served the causes of salaried class only. The first Consumers Cooperative Society of the N.E. Region was also set up in Shillong in 1918 at Police Bazaar area, the commercial hub of the capital city, in the name of 'Police Bazaar Consumers Cooperative Society Ltd' and it has been functioning since then and serving the members and the general public.

Thus Meghalaya can feel proud for being the birth place of the Cooperative Urban Banks and Consumers Cooperatives of the N.E. Region. Similarly, the neighbouring state of Assam was the birth place of the first Cooperative Land Mortgage Bank of the Region which was set up in Guwahati in the year 1926. Again, The Assam LDB was the third in the country after Punjab and Bengal who held first and second positions in the Country's long term Cooperative Banking System respectively.

1.3 (a) Cooperative Movement by President. Meghalaya State Coop Union Ltd. Shillong.

"Cooperative Movement is the People's movement in cooperation for economic development without being exploited from any quarters. Being a peoples' movement it is not the responsibility of anyone to merely present a positive picture of the significant role it is playing in the State economy, in fact, there is hardly a coercive thinking either at the Government level or the leadership level on the subject. One should take sizeable responsibility for motivating the weaker section of the society.

Cooperatives have been considered as very vital instruments in fighting poverty and exploitation, therefore management by a dedicated team of workers is necessary, who can commit and serve for the success of the members and non – members of the cooperatives. It should be a way of life and not simply a skeleton structure. The growth of Cooperatives are becoming complicated due to a lack of professional management. Cooperatives can survive only if their base is strengthened at the grass root level. The challenge posed by such changes can be met by creative, relentless and dynamic leaders who are not self centered; and endowed with relevant skills, experience, foresight and insight. Measures should be taken to ensure the professional competence of the cooperative.

Cooperatives offer an effective organizational frame which has potential to provide opportunities for economic development of the people with their active participation. To manage a cooperative is a difficult job. Trained personnel recruitment is an important aspect in this regard. Members' education is another field which has to be concentrated because this can provide an insight into the basic philosophy of cooperation, its working and application. The economic backwardness of people living in remote, isolated and inaccessible areas have largely reduced the population to be controlled by certain groups of people with vested interest among many grass root level cooperatives. As such cooperatives are unable to foster economic development of their members and to promote social justice.

Some of the reasons for the above constraints are that the members of such grassroots cooperatives are not aware of cooperative ideologies and are also ignorant of their rights and duties. Unless some concerted efforts are taken to overcome these constraints, the future of the majority of grassroots cooperatives will remain only in their signboard. Cooperative ideology should be widespread to every nook and corner of the state in order to pave the way for rural people who lack the privilege of education and knowledge to promote and educate the standard of living and a guidance which has an ideology with vital instruments on socio economic planning and development.

There are also ways to enhance performance of cooperatives so that it encourages creativity and innovation as it works as an eye opener of the society. The rise of machines and the advent of the industrial revolution brought about a vast social upheaval. The concentration of wealth and economic resources in the hands of a few led to the exploitation of the weak, mainly the artisans' labourers and workers. The new form of Cooperation came into being as a consequence of this upheaval.

Since the purpose of the plan is to change the economy of the state from an individualistic to a socially regulated and cooperative basis, its success should be judged, among other things, by the extent to which it is implemented through Cooperative Organizations. The inherent nature of cooperative activity, its democratic character and mode of functioning, involving an immensely large number of people from all corner of society underlines the absolute need of cooperative an intensive and extensive use of public relation discipline to achieve its objectives of being the peoples' Movement that provide a shield for the weak. If cooperation has to succeed, we need leaders with a cooperative bent who are endowed selflessly and are dedicated to serve the society and humanity.

Cooperation is missionary work and leadership, which is vital toward achieving the desired objectives of economic prosperity. We cannot all be famous, often unsung heroes, and our name may not appear in any newspaper, but the satisfaction of having done our best for the love of the people will not fail to leave an impact. We need men who people can look up with pride, and command respect of others by their personality and integrity. If we can produce the leadership, the cooperative movement can have a bright future in Meghalaya. Leadership, therefore, is essential, for cooperative movements and that the leadership has to be dynamic, having a strong determination reflecting the basic principles of the movement. It is worth mentioning that cooperative movements in many states have leadership that is strong and is a vital force behind the progress of the movement in the past and in the present. In Meghalaya for instance, the cooperative movement has not developed to such an expected extent in comparison with other States. "

President. Meghalaya State Coop Union Ltd., Shillong.

1.4 Cooperatives in Meghalaya

Prior to creation of Meghalaya on 2 April 1970 as an autonomous State, there were 472 Primary Agricultural Cooperative Societies organized during the Assam Administration in the areas which formed Meghalaya and majority of those societies were practically non-existent.

Therefore, the first task of the Government of Meghalaya was to reorganized the base level cooperative societies and restore confidence of the people in the Cooperative System. The Assam Cooperative Apex Bank which had looked after the areas of Meghalaya until its creation, was bifurcated in the year 1971 and Meghalaya Cooperative Apex Bank (MCAB) was set up on 16th Feb' 1971. The MCAB commenced banking business from 1 July 1971 after obtaining the required license from RBI as per B.R. Act. A Master Plan was formulated by RBI in consultation with the Cooperation Department, and the MCAB in the year 1974 and the implementation of the Master plan had resulted in emergence of 180 viable and potentially viable PACs in the State. Under the Master Plan, the nomenclature of the PACs was changed to Service Cooperative Societies (SCS) to function as multipurpose Cooperative Societies and provide multifarious services to the rural masses as per requirements in the service areas.

During the last three and a half decades, the Cooperative Movement in Meghalaya, has come a long way discharging useful services to the people of the State in numerous ways to improve their socio-economic condition. Meghalaya is in the forefront of the Cooperative Movement in North East India and has all the potentials and qualities for creating Cooperative Common Wealth in the Region. With the opening up of the Indian Economy & continuation of Financial Sector Reform since 1991, the relevance & importance of Cooperatives have increased immensely.

Again, the recommendations of the Vaidya Nathan Committee and the consequent reforms in the Cooperative Sector have brightened the prospect of Cooperatives. The Cooperatives are now required to work as business enterprises and fulfill the aspiration of their members. Today, 'Perform or Perish' is the mantra for all entities. The future of the cooperatives lies on their managerial skill, business acumen, professionalism, functional efficiency, effectiveness and good governance.

1.5 Future of Cooperatives in Meghalaya:

In order to sustain the growth of the Cooperatives and their accelerated performances some policy decisions and support are essential which are discussed as under for consideration:

1. Re-Organization of Cooperatives & revival of Apex bodies:

In Meghalaya, the Service Cooperatives (PACS) were re-organized under a Master Plan in the year 1974 and thereafter, no comprehensive review was taken to assess the impact of- the re-organized SCS. During the last 34 years of business operation, the service cooperatives have developed certain weaknesses and they have also faced certain operational problems, constraints and limitation particularly in respect of area operation, Village allocation, area demarcation & membership coverage etc. The re-organization of SCS is long overdue and this needs to be done on topmost priority in regard to their area of operation, village allocation, membership, business diversification, resource mobilization, SHG networking and promotion, etc. The future of the Cooperatives and their growth will depend on how soon this is done and implemented.

2. Strengthening of State level Cooperative Federations:

Truly speaking, our State level Sectoral Federations & Apex Bodies could not make much progress and they are remaining as an exercise of structural formation rather than functional efficiencies. Most of our federations do not have the required comprehension of their role and responsibility. The affiliated societies are also not being looked after adequately. Again, functional coordination between the affiliate and the affiliated Coops and cooperation among the cooperatives in the State are also missing. The State Level Cooperative Federations need to be revitalized. Reports of the NEDCON& NABCON are available in Cooperative Department and their Recommendation might be useful for strengthening these organizations.

3. Membership Coverage:

Though, the Cooperative movement in Meghalaya have made significant progress during the last three and a half decades, their membership coverage which is presently about 26 % is far below the national average. The membership coverage of cooperatives has to be increased and for this purpose, a suitable Action Plan may be drawn up to ensure attracting cent percent willing people to the cooperative fold within a period of 5 to 6 years. This is essential for the success of the cooperative movement as without involvement of the people and their active participation there cannot be a Cooperative Movement.

4. Cooperative Leadership:

Unlike other parts of the Country, there is a serious lack of genuine and committed Cooperative leadership in Meghalaya and the North East. Even today, the people in the rural areas, by & large have the impression that the cooperatives are government organization and they are part of the Cooperation Department. This feeling has to be dispelled from the minds of the people and the extension staff of the Cooperation Department can play an important role in this respect. There is an urgent need to involve the traditional leaders, young men & women in the Cooperatives in increasing numbers as official leadership alone cannot carry forward the Cooperative Movement. Therefore, the future of the Cooperative Movement of Meghalaya lies in the creation of enlightened & committed leadership, skillful and professional workers, business diversification, honesty and integrity.

5. HRDM in Cooperatives:

The Office bearers and workers in Cooperatives at all levels are first generation workers and they do not have the required knowledge, skill & business acumen for running the cooperatives as viable business enterprises. 'Learning by doing' has been the theme in the cooperatives even today and as a result there has not been a significant improvement in the style of their functioning and governance. Cooperatives are integral part of our economic system. They need to follow a sound recruitment policy and induct qualified, quality, and competent manpower in their management and functioning. Manpower Development is a systematic process and training is an essential component for building up a competent, capable and committed workforce. Trained personnel can do their assigned role more efficiently and ensure viable functioning of their organization. It is essential for the cooperatives to assess their manpower requirement, training needs and get their office bearers and staff suitably trained regularly.

6. Reforms in Cooperative Sector:

Cooperatives are integral part of our socio-economic system and they cannot remain outside the financial sector and economic reforms. Cooperative Reforms are absolutely necessary in the content of their dominant role in the economic upliftment of the country's majority people and rural development. In the light of the recommendations of the Vaidya Nathan Committee, our Central Government has prescribed a series of reform measures and linked up the Revival Package with their implementation. All the stake holders of the cooperatives need to complete the implementation process to ensure democratic functioning of the cooperatives as per National Cooperative Policy and free from interferences of external forces.

7. Cooperative Governance & Best practices:

According to Nobel Laureate Milton Friedman, Corporate governance means conduct of business as per desires of the owners or share holders and in accordance with the basic rules of the society and local customs. Cooperatives are incorporated organizations and they need to function as per objectives embodied in their Bye-laws and serve the members strictly as per rules & policy decisions framed by them, Management & the Cooperative Societies Act & Rules. Cooperatives are required to function as a business organization and their old and outdated style of functioning has to stop. They need to follow best practices, such as, timely holding of AGM & M.C. Meetings, holding Periodical Village level Meeting, make realistic assessment of credit requirements of members, encourage thrift habits/issue Kisan credit cards, organize SHGs in Coops. and act as SHPls, provide diversified services to their members and the people in the area and undertake agency services, develop them as nucleus of all economic developmental activities in their service area to fulfill sociocultural aspiration of the members.

8. Role of State Government:

Cooperation is a state subject and the cooperatives need the support and guidance of the State Government in their promotion, development and working on proper line. The Government should not be a party to the functioning of the cooperatives. They should not interfere or intervene in their day to day functioning. The Registrar of Cooperative Societies needs to ensure timely conduct of audit of Coops., speedy disposal of arbitration cases, timely holding of AGM & election of office-bearers, organize symposiums, Seminars & Work shops and awareness programmes, periodical evaluation of the impact of the cooperative sector in the economic development of the people. The Cooperation Department also needs to work as a catalyst and facilitate functioning of the cooperatives in accordance with the Bye Laws, Cooperative Principles & Cooperative Values.

9. Cooperative Development – Setting up of a Cooperative Development Body:

The North Eastern States are comparatively backward. The GOI, NCDC, NCUI & NABARD have been extending special Cooperative Development Schemes and facilities to bring them at par with the rest of the Country. The Coops. in Meghalaya and other N.E. States are State sponsored institutions and they are yet to become peoples organization. The Cooperatives have enormous potentialities for a growth of cooperation and economic development of the people in the entire North Eastern Region.

In the recently held Regional Cooperative Seminar at Guwahati, these were discussed and deliberated by the Cooperators and Cooperative experts for two days and a lot of recommendations were made for revival of the Cooperatives in the North East. These recommendations consideration. Meghalaya is a comparatively friendly state and it will be helpful if a Cooperative Development Council is set up in the state to foster cooperative growth, their systematic promotion and progress on cooperative principles with the involvement of the people and their active participation. The Council will be an advisory body of experts consisting of eminent cooperators, Cooperative experts, Cooperative performance achievers, experienced Cooperative Officers, representatives of NABARD and State Level Cooperative organizations. The Development Body shall overview the performances of the Cooperatives, assess the impact of their development role, offer suggestions and measures for their effective governance, frame a road Map for the sector, etc. so that the cooperatives can emerge as growth centers and nucleus of all socio-economic development activities of the people in the State.

1.6 Cooperative Management and the reform it needs:

Cooperative management should be regarded as a team consisting of four elements — members (owners), board of directors (elected), the manager (hired), and other responsible employees (paid). Each part of the team has its own distinctive duties and responsibilities for performing management functions in a cooperative. This allows them definite, reserved rights in the ownership and control of the business. These important rights give them the privilege of taking an active part in the management of the business. To be effective, each must exercise these rights; otherwise they will have no voice in management.

In most of the cases, the management of cooperatives falls into situations where they cannot decide which decision to take for the functions of the society be it financial decision new or old business activities, etc. the main problem is the lack of knowledgeable person to run the day to day functions of the society, lack of funds and the participation of the members actively in the day to day affairs of the cooperatives. Therefore reforms is needed in the management of the society, such as selecting the right person in the management of the society, there should be active participation by all members in the day to day affairs of the society and most importantly the management should be given a free hand in deciding which decision to take for the benefit of the society especially in money matters. The members should regularly subscribed shares to the society so that the society can have sufficient funds and the management can run the day to day business smoothly.

The role of the government in the management of the society also should be limited and the society as it is a private entity, there should be minimum interference from the government part. Sanctioning and disbursing of funds form the government to the society should not be made maximum controlled by the government to the management of the society.

In most of the cases misuse of the powers of the management of the society has been seen where the management has been run by a one man show which the society as a one man society and this has in no part been form base on the principles of the cooperatives and this has make the meaning of management meaningless and just in records. By the control of a single person in the management of the society, usually it was found that the funds of the society is being misutilized, the members doesn't get any benefits from the society and there is zero knowledge of the members in the affairs of the society, and it was found that the management details exist only in records. Therefore to eliminate the role of a one man show, the active participation of the members in the management or decision making or day to affairs of the society is of utmost important. Awareness is the main key to make the members aware about their role and powers and how and why it is needed for them to elect/select the best person suitable for the affairs of the management.

	LIST OF ALL TYPES OF REGISTERED COOPERATIVE SOCIETIES AS ON 31.03.2022																							
SI.		East Kh			Khasi	East &		Ri-Bho	i Dist.		t &		& South		h Garo		h West	Amla		Sohr	-	TO	TAL	GRAND
No.	Type of Societies	Di	st.	Hills Dist.		Jainti:				North Hills		West Garo Hills Dist		Hill	s Dist.	Khasi Hills		Sub-	Divn.	Sub-Divn.				TOTAL
		F	NF	F	NF	F	NF	F	NF	F	NF	F	NF	F	NF	F	NF	F	NF	F	NF	F	NF	(F+NF)
1	M.C.A.B. Ltd.	1																				- 1		1
2	M.E.C.O.F.E.D. Ltd.	1																				1		1
3	M.S.H.F.C.S. Ltd.	1																				1		1
4	M.E.G.H.A.L.O.O.M. Ltd.	1																				1	<u> </u>	1
5	M.S.C.U. Ltd.	1																				1	<u> </u>	1
6	M.V.D.P.T.C.S. Ltd.	1																				- 1		1
7	Meghalaya Livestock & Dairy Cooperative Federation Ltd.	1																				1		- 1
8	Meghalaya State Fisheries Cooperative Federation Ltd.	1																				1		1
9	CONSERVATION, RESEARCH & DEVELOPMENT (LIVING ROOT BRIDGES) Syrwet U Barim Mariang Jingkieng Jri Coop, Federation Ltd.	1																				1		1
10	COOPERATIVE URBAN BANK	1				1						1										3	0	3
11	WHOLESALE COOP. STORE					1						1										2	0	2
12	P.A.C.S.	24	1	23		11	7	18		17	2	22	21	11	3	9	1	2	1	6		143	36	179
13	HOUSING	1	1		2				2								1				1	1	7	8
14	CONSUMER	11	1	2	1	2	1	4		1	2	4	2		1	2	2	2		4	1	32	11	43
15	MARKETING	4	2	4		1	2	3		1		5		1		2		2				23	4	27
16	MULTIPURPOSE	86	30	60	8	108	25	138	48	27	5	50	10	3	7	47	8	29	5	30	3	578	149	727
17	THRIFT	32	1			4		20	1	2		3	10	4						1		66	12	78
18	INDUSTRIAL.	10	5	15	12	5	6	3	1			4	6	1		11	20	3		7		59	50	109
19	DISTRICT MILK COOP. UNION	1				1		1				1										4	0	4
20	DAIRY	18	2	16	8	20	5	18	2	12		30	14	2	2	2	5	2	1			120	39	159
21	FISHERIES	3	1	2	1	1	3	2	1	7	6	9	2	2	6	5	7	5		3		39	27	66
22	HANDLOOM WEAVERS			2	3	4	5	14	5	9	2	14	8	3	1	3						49	24	73
23	HANDICRAFT	1				1		2						1						2		7	0	. 7
24	TRANSPORT	7	6	3	1	3	12	1	1		1	1	1	1	1	4	7	2	1	3		25	31	56
25	INTEGRATED VILLAGE COOP. SOCIETIES	23		47	6	53	2	28		59		75	3	46	2	23		15		37		406	13	419
26	JOINT/COLLECTIVE FARMING	1	1	1	4	2	2		2							1	5			7	1	12	15	27

27	PIGGERY/POULTRY & OTHER LIVESTOCK	11	1	9	2	84	4	16	3	16	1	11	2	3		8	4	14	6	6		178	23	201
28	HORTICULTURE	3	1	4				2	2	1	2	2	2	1	2	3				3		19	9	28
29	PROCESSING	1	1			4	1	2		1		2		2				4			2	16	4	20
30	LABOUR CONTRACT	2			2																	2	2	4
31	SERICULTURE												1									0	1	1
32	TOURISM	6		4		8		3		2		2		2		6		2		6		41	0	41
	CONSERVATION, RESEARCH & DEVELOPMENT (LIVING ROOT BRIDGES)	9																5		9		23	0	23
34	OTHER TYPES	13	1	2	1	8		21	6	1	1	1				2		1				49	9	58
	GRAND TOTAL	277	55	194	51	322	75	296	74	156	22	238	82	83	25	128	60	88	14	124	8	1906	466	2372

^{*} WOMEN COOPERATIVES = 103 (FUNCTIONING)

= 26 (NON-FUNCTIONING)

TOTAL = 129

TABLE 1

Source : Cooperation Department Government of Meghalaya Office of the Registrar of Cooperative Societies, Meghalaya, Shillong

"Co-operative marketing is the marketing for the producers and by the producers that aims at eliminating the chain of middlemen operating between producers and the ultimate consumer and thus securing the maximum price for their produce."

Co-operative marketing organizations are association of producers for the collective marketing of their produce and of 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 other words, co-operative marketing societies are established for the purpose of collectively marketing the products of the member producers.

1.7 Objectives and Functions of Co-operative Marketing Societies

The co-operative marketing societies play an important part in the following spheres:-

- 1. They arrange for sale of member's produce to the best possible advantage by enabling them to obtain better price because of the sale in bulk and consequent economy in the cost of marketing.
- 2. They undertake activities in connection with grading, pooling and procuring of produce of members. Unfortunately very few marketing societies have undertaken this activity and even those who undertake it., do it on a limited scale. It is confined to a few products only; cotton, jute, turmeric, potatoes etc.
- 3. Some co-operative marketing societies have now undertaken other types of processing activities.
- Co-operatives provide storage facilities to their members by renting or owning godowns and thereby facilitate grant of advances against pledge of produce, and sale of member's produce.
- 5. They make advances to members on the pledge of produce and support them in interim periods between deposit of produce and sale. Against the deposit of goods, members may receive advances up to the extent of 75% of the current market price.

- 6. They protect members from several malpractices like unauthorized deduction, incorrect weighments etc. They also eliminate the long chain of middlemen and connect the producer with the consumer.
- 7. Co-operative marketing reduces waste and stands for fair trading practices and uses its influence against rings and manipulation of prices.
- 8. Co-operative marketing teaches the farmers business methods and serves them as agencies for supplying market information.
- 9. Marketing societies stabilize prices over long periods by adjusting the supply according to market demand. In this way seasonal fluctuations of price or their evil effects can be eliminated.
- 10. Co-operative marketing societies are also being encouraged to participate in the export trade of the country so that the actual grower might get a better price for his produce.

1.8 Need for Development of Co-operative Marketing

- 1. With the commercialization of agriculture efficient marketing is as necessary as scientific agricultural operation and so side by side with the progress in cultivation, methods of suitable machinery for efficient sale of the farm produce should also be evolved.
- 2. The income of the farmer today depends to a large extent on the ability with which he is able to market his produce for a fair price.
- 3. Even if the production side is strengthened and cultivation improved the cultivator would not gain much, if there is no proper arrangement for marketing of his produce as the benefits of better farming would probably be reaped by middlemen intervening between them and the ultimate consumer.

4. To a farmer, who is conscious of his economic interests, a marketing cooperative is as important as a co-operative providing agricultural productive credit.

1.9 - MARKETING CO-OPERATIVES IN MEGHALAYA

There are 27 Marketing Cooperatives currently in the state of Meghalaya, of which 23 are functioning and 04 are Non – Functioning. Following are the list of Marketing Cooperatives in Meghalaya as on 31st March, 2022.

LIST OF MARKETING COOPERATIVE SOCIETIES IN MEGHALAYA AS ON 31.03.2022

Sl.	Name of District	Marketing Coop	perative Societies
No.	Name of District	Functioning	Non Functioning
1	East Khasi Hills	04	02
	District		
2	West Khasi Hills	04	
	District and Eastern		
	West Khasi Hills		
	District		
3	East & West Jaintia	01	02
	Hills District		
4	Ribhoi District	03	
5	East & North Garo	01	
	Hills District		
6	West Garo Hills	5	
	District		
7	South Garo Hills	01	
	District		
8	South West Khasi	02	
	Hills District		
9	Amlarem Sub -	02	
	Division		
10	Sohra Sub - Division		
	TOTAL	23	04

TABLE 2

The main reason of the low numbers of Marketing Cooperative in the state is due to the non availability of raw materials, non availability of market, poor road connectivity to the villages, exploitation by middlemen and traders in terms of price. Their functioning are not up to the level to be compare in the national level but still they are doing their best to perform better and come out with good figures.

The Department of Co-operation operates as administrative department in the Secretariat and the Office of the Registrar of Co-operative Societies as head of the department to administer the co-operative societies.

Beside, the state has Apex Level Co-operative Societies as Meghalaya Co-operative Federation and Marketing Societies Limited – its function are to market the agricultural products of its affiliated societies, to distribute Fertilizers and other inputs to the farmers and also for distribution of consumer goods and other essential commodities to the urban and rural areas.

The MECOFED was established on 1sl July 1975 with the main objectives to organize, promote and develop marketing, processing and storage capacities, sale of agricultural & minor forest products, procure & distribute agricultural inputs, consumer goods and assisting the affiliated societies and their members in order to improve the quality of life of the people of the state and maintain sustainable linkages with the grass root level Coops in rural and urban areas.

In the beginning, MECOFED had provided commendable services for the benefit of the farming community by supplying fertilizers, bone meals and other agricultural inputs, procurement & marketing of their agricultural produces like potatoes, ginger, jute, etc.,

It has also arranged for procurement & sale of minor forest produces besides creating huge storage facilities in the rural areas for the benefit of the rural people.

The MECOFED has procured consumer goods directly from manufacturers and whole sellers and supplied to the consuming public through its net work in rural and urban areas. This had stabilized the prices and supply line of consumer goods in the state.

However, the MECOFED could not sustain its business operation for long, as it was not in good shape for the past few years.

The Government has been able to revive its position recently and it has re-started business dealing in consumer goods, fertilizers, LPG, marketing agril. produces and supply of stationary goods, etc In the interest of the farming community, agricultural development as well as for maintaining stability in prices of essential consumer goods in the State, revitalization of MECOFED and its effective functioning is essential.

Source: Cooperation Department Government of Meghalaya Office of the Registrar of Cooperative Societies, Meghalaya, Shillong

1.9 (a) AIMS AND OBJECTIVE OF THE STUDY

- To study the overall performance of the Federation with its relation to the Marketing Cooperative Societies in the East Khasi hills District.
- To study the various procedures involved in the business of the Federation and the Society.
- To study the affairs and financial stability of the Federation and the Society4. To evaluate the benefits derived by the members as well as people of the area
- To identify the setbacks in the working of the Federation and the Society.

1.9 (b) STUDY AREA AND DATE

Office of THE MEGHALAYA STATE COOPERATIVE MARKETING AND CONSUMERS' FEDERATION LIMITED, Shillong, Office of the Registrar of Cooperative Societies, Meghalaya, Shillong and in the Office of THE PYNURSLA SUB – AREA MARKETING COOPERATIVE SOCIETY LTD, PYNURSLA, MEGHALAYA DATE: 1st December, 2022 – 12th January, 2023.

1.9 (c) METHODOLOGY OF THE STUDY

The study is mainly exploratory and descriptive in nature. Collection of data was restricted to observation and interview of the Staff and workers of the Federation as well as Secretary and members of the Society. For completion of the study, the following methodology was undertaken to acquire necessary information.

A. TOOLS AND TECHNIQUES USED FOR DATA COLLECTION

- 1. Personal Interaction
- 2. Interview
- 3. Observation

B. PRIMARY DATA

- I. Primary data collected by conducting interview and discussion with the Staff and workers of the Federation as well as Secretary and members of the Society.
- II. Interview was also conducted on few Staff and workers of the Federation as well as Secretary and members of the Society.

- III. The observation method was used to see the actual working of the Federation as well as the Society during the visit.
- **IV.** Additional information was obtained from the Office of the Registrar of Co-operative Societies, Meghalaya, Shillong regarding the financial status of the society.

C. SECONDARY DATA

- i. Secondary data was collected from the Annual Report and Balance Sheet of the Federation for the year 2020 2021 and .the Annual Report and Balance Sheet of the Society for the year 2019 20, 2020 21, and 2021 22.
- ii. The source of information was also collected from the files and records of the Federation and the Society and from the records maintained by the Office of the Registrar of Co-operative Societies, Meghalaya, Shillong.

1.9 (d) SCOPE OF THE STUDY

This study is confined to the overall function of the Federation and the society and in depth study into any area could not be made due to time constraint. The data and information provided in this project is only for understanding and knowledge point of view.

CHAPTER 2

THE MEGHALAYA STATE COOPERATIVE MARKETING AND CONSUMERS' FEDERATION LIMITED

INTRODUCTION: With Its Head Office is Located at Lumdiengjri, East Khasi Hills District, Meghalaya, Shillong -793002, The Meghalaya State Cooperative Marketing and Consumers' Federation Limited, or in abbreviation popularly known as "M.E.C.O.F.E.D." or the Federation, is a cooperative organization registered under the Meghalaya Cooperative Societies Act in 1975-76, after taking over the assets and liabilities of the erstwhile Assam Hills Development Corporation. The Mecofed therefore is an Autonomous Cooperative Organization which is managed by a Board of Directors elected by its members in the Annual General Body Meeting as per its Bye-Laws. As per the Bye laws, the Management of the Federation rests with the Board of Directors consisting of 15 members including the elected Chairman, the elected Vice Chairman, the Managing Director along with 5(five) Ex-Officio members nominated by the State Government ,besides 2 (two) members representing the Central Government.

The authorized share capital of Mecofed is Rupees 25, 00, 00,000 (twenty five crores) only. There are altogether 42 Godowns which are spread over the State.

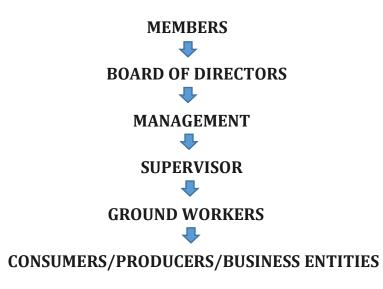
2.1 OBJECTIVES

The Meghalaya State Cooperative Marketing and Consumers' Federation Limited, is an Apex Marketing body which has the following objectives:

- 1. To organize, promote and develop marketing
- 2. Processing, storage and sale of Agricultural, mineral produces and products including industrial products
- 3. Distribute by sale of consumer goods, agricultural inputs
- 4. To assist, aid, guide its affiliated member societies

2.2 STRUCTURE

The Meghalaya State Cooperative Marketing and Consumers' Federation Limited being a trading Federation has been structured in a system to take up business activities as:



2.3 ACTIVITIES: The current business activities of M.E.C.O.F.E.D. are:

- 1. Procurement and sale of Organic/Chemical Fertilizers to farmers/growers
- 2. Food processing unit (dry process)
- 3. Manufacture of steel furniture
- 4. Procurement and sale of Surplus Agricultural Produce and Minor Forest Produce like Wild Pipple, Turmeric, Ginger, Jute, Potato Seeds etc.
- 5. Apart from its marketing business activity, M.E.C.O.F.E.D. is also engaged in the sale of L.P.G., S.K. Oil and Cement.

6. Other business activities include supply of office stationery items office furniture and fixtures, computer peripherals etc. to the offices of the State and Central Government. Supply of tyres, tubes, motor vehicle battery to State Government Departments is also one of the business activities of M.E.C.O.F.E.D..

Currently M.E.C.O.F.E.D. has outlets in Jowai, Sohra, Nongstoin, Tura and Phulbari

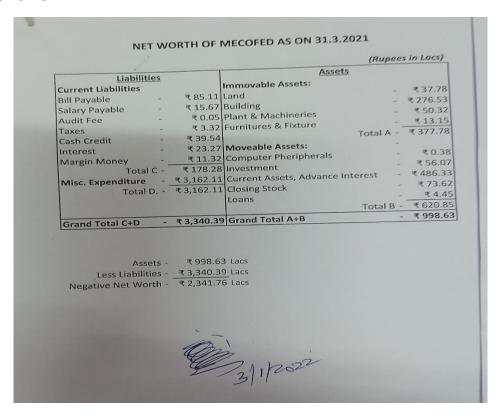
2.4 RESOURCE POSITION:

As regard to human resource development, the management have always in position to ensure :

- 1. Right people for the right job at the right time
- 2. Regular/intervals training to develop the workers/employees in the job

2.5 Business Turn Over

The business turnover by taking into account the financial year of 2020 – 21 are as follows:



A. Strength of M.E.C.O.F.E.D.

- Has its own physical infrastructure in most District Headquarters like Shillong Tura, Jowai, Nongstoin Williamnagar, and in Phulbari.
- Has downsized its employees by providing golden handshake scheme.

B. M.E.C.O.F.E.D. weaknesses are as below:

- Overstaff
- Losing out of business
- Its existence is not purely profit objective driven
- Heavy debt burden
- Heavy expenditure on overheads.

C. Strategies

- Entering into new areas of business, such as in the field of Dairy products,
 Pharmaceuticals, consumer goods.
- Establishing forward linkages with the National cooperatives and producers of tradable items
- Establishing proper backward linkages with the grass roots level consumer and marketing Cooperative societies with government as a facilitator.
- Winning back some of the lost businesses
- Enhancing the business in Minor forest produce and surplus agricultural products and to include items like Cashew nut, Honey and wax, turmeric, sohiong (Black berry).
- Right sizing of its employees
- Skill up gradation and training of the remaining employees, through shortterm orientation course training on marketing /salesmanship/management.
- Computerization of the business and administration.
- Business target turnover up to the range of 15 crores in the next two years and 20 crores thereafter.

2.6 STAFFING PATTERN WITH JUSTIFICATION;

The staffing pattern has been engaged as:

Therefore, right persons are always placed in the right job for smooth discharge of all daily activities. Transfer, Promotion and Demotion is always based on merit and performance.

2.7 TURN OUT PER EMPLOYEES:

The general turn out per employee for the year 2021 - 22 is Rs. 31,78,465/-

2.8 COST PER EMPLOYEE:

The cost per employee based on present performance and strength is:

- 1. Workforce 1 = Rs. 536,685/-
- 2. Workforce 2 = Rs. 156,926/-

2.9 FLOW OF RETIRING EMPLOYEES:

The flow of retiring employees are based on superannuation. However, replacement has been considered on the existing strength in view of business volume.

No. of Affiliated Societies:-

a. Marketing	_	25
b. Service	- (134
c. Consumers	-	9
d. Industrial	_	6
e. Tranport	_	2
f. Others	-	9
g. <u>Individual</u>	_	<u> 15</u>
	Total – I	200

CHAPTER 3

THE PYNURSLA SUB – AREA MARKETING COOPERATIVE SOCIETY LTD, PYNURSLA, MEGHALAYA

REGISTRATION NO. SHILL - 33 OF 1968 DATED 09 - 03 - 1968

3.1 BRIEF INFORMATION

The society is registered in East Khasi Hills District with its registered address in Pynursla which is approximately 70 Kms from Shillong the State Capital. The Society was formed by the members of 6 Service Cooperative Society with 5 members from each Society. Who organize themselves as a society to unite and help each other for uplifting their economic and social status, So the society was registered in the year 1968 constituted of 24 male and 6 female members. Under the leadership of Shri. Rejoice Khongshah. Its area of operation consisted the whole villages under Pynursla Block. The Society had purchased its own land at Pynursla market and the other at Wahumrem which donated by the Dorbar Raid (Local Authority).

At present there are 24 Nos of Male members and 06 Nos of Female members. The society is currently dealing with agricultural produces and forest produces which it collect from the member farmers as well as from the non members. The participation of members in the activity of the society are both directly and indirectly. The management of the society are active and they hold the Annual General Meetings regularly where they discuss and share their future plan.

3.2 ACTIVITIES OF THE SOCIETY

The Society has constructed many godowns cum shopping complex in the heart of Pynursla market funded by NCDC & ICDP in the shape of shared & Loan in which the Loan has been repaid. The society also possessed one godown at Wahumrem sponsored by the State Agricultural Marketing Board of which after completion of the construction work the godown is now handed to the society on 2nd August 2012.

The Society also possessed some small shops in the Sub Area Complex at Pynursla market and some earnings been received from these shops. The Society now started construction of the upper storey of the Society cum shopping complex which meant for rental business which is a great demand.

The Society was run by Shri. K. Pyngrope, Chairman and Smti. S. Pyngrope and T. K. Khongstid, Vice Chairman, F. Kharmaw Shun, Shri R. Jymmang, Shri B. Tynsong Managing Committee members.

Since its formation the society started its business activities only by the shares received from the members of the society for marketing of controlled items like kerosene, clothes, rice, atta etc, and supplied to these six SCS and serve this business for a long period.

This business now been stopped with the help of F.A received from Govt. and NCDC, the society started marketing of forest products viz. betelnuts, Tezpatta, Broomsticks, Pan Leaves etc and earned a profit of Rs.23,600/- which is of the profitable business of the society. The society also earned huge income from monthly rental of shops, go downs of Rs.2,00,000/approximate annually.

The most important of the society is that it help the people of the locality to grow up their business and allow them to propagate their business activities especially the poor families in its Shopping complex by taking reasonable rate of monthly rental. Petty traders/ suppliers were very much benefitted from this shopping complex. The presence of the society also helps a lot for upliftment of the economic standard of the villages of area by purchasing their products and sells them outside market.

3.2 (a) FIGURE IN CHART DIAGRAM SHOWING THE PERFORMANCE FOR THE LAST THREE YEARS



Sources : Audited Balance Sheet for the year 2019 - 20, 2020 - 21 and 2021 - 22

Authorized Share Capital as on 31st March, 2022 is 50 Lakh

Paid – up Share Capital comprises of the following:

- Members Rs. 25,700/-
- ICDP Rs. 3,05,000/-
- Government Rs. 15,56,000/-

A

- Income from sales of products procure from farmers during
- 2019-20 were 12 lakh where as purchases were 11 lakh
- Gross profit were 81000 and Net profit came down to 48000
- The cash in hand as on the date of audit were only 5000
- The main reason are the various unavoidable expenses incurred during the financial year which were the causes which brings down the Net Profit and cash in hand. Though the incomes were include with the house rent generated during the financial year and interest received from bank accounts
- During the year the society were categories as "B "Class

B

- Income from sales of products procure from farmers during
- 2020-21 were 21 lakh where as purchases were 20 lakh
- Gross profit were 125K and Net profit came down to 98000
- The cash in hand as on the date of audit were 14000
- The main reason are the various unavoidable expenses incurred during the financial year which were the causes which brings down the Net Profit and cash in hand. Though the incomes were include with the house rent generated during the financial year and interest received from bank accounts
- During the year the society were categories as "B "Class

C

- Income from sales of products procure from farmers during
- 2021-22 were 33 lakh where as purchases were 32 lakh
- Gross profit were 4300 and Net profit gone up to 99000, the rise of the Net Profit were mainly from the house rent received by the society.
- The cash in hand as on the date of audit were 25000
- During the year the society has been categories as "A" Class The various unavoidable expenses incurred during the financial year are still exist and the society is trying hard to bring down these expenses. The incomes from the house rent generated during the financial year and interest received from bank accounts were the main part which help in increasing the income of the society.

3.2 (b) SALES FOR THE YEAR 2019 - 20, 2020 - 21, 2021 - 22

In 2020 - 21, the sales have successfully reach its peak as compared to 2019 - 20 and became average in 2021 - 22 in comparison to previous years.

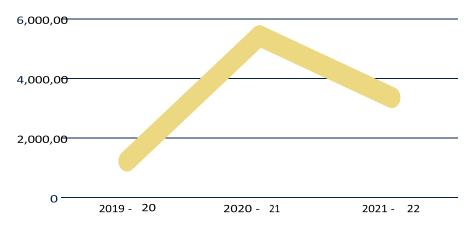
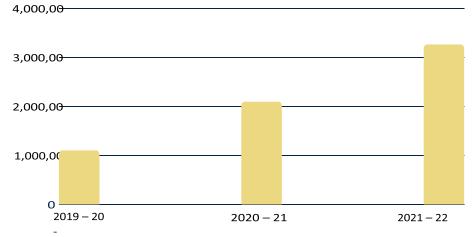


TABLE SHOWING THE SALES AND PURCHASE IN LAST THREE YEARS

YEARS	SALES	PURCHASES
2019 – 20	12,29,900	10,93,990
2020 – 21	54,36,500	20,87,500
2021 – 22	33,63,500	32,54,900

3.2 (c) PURCHASES FOR THE YEAR 2019 -20, 2020 - 21, 2021 - 22

During the last three years the procurement of products in terms of purchases from the farmer members have shown a significant increase and it is a good sign as it shows the active participation of farmer members in the society



Source : Audited Balance Sheet for the year 2019 - 20, 2020 - 21 and 2021 - 22

CHAPTER 4

RELATION OF THE PYNURSLA SUB - AREA MARKETING COOPERATIVE SOCIETY LTD. WITH THE MEGHALAYA STATE COOPERATIVE MARKETING AND CONSUMERS' FEDERATION LTD.

The society has maintained a long term relation with the Federation. Though the activities with the Federation is very small in quantity, but still the members and the society as a whole has been able to maintained a long term relationship in terms of marketing their agricultural products through the Federation. few items are still in one of their activities which includes ginger, wild black pepper, turmeric, etc. One thing can be seen based on the interaction with the secretary of the society and the staff of the Federation is that there is very less benefit from this deal as the quantity provides by the society is not up to a huge extent. The society is looking forward to increase the volume of products and it is trying its capacity to make the members as well as non - members to supply more quantity of their products as well as to try and bring new products.

There is huge potential for the society as well as other societies if they market their products through the Federation. There are various other sectors of societies as well who deals with the Federation. But the business has come down over the years as the Federation could not meet much of the expectations and requirements of the societies.

The members always complaints for the non - availability of markets and lock pricing of their products and it was suggested that by approaching the Federation, a solution can be reach to some extent and the main problem that was highlighted by the farmer members is high cost of transportation and low revenue from their products after all expenditures incurred during transportation which was also one of the main causes which leads to the farmers in findings local or nearby market for their products.

CHAPTER 5 FINDINGS AND SUGGESTIONS

5.1 FINDINGS

- One thing can be noted down here is that the membership of the society has been stagnant for a long period and there was no new enrollment as members in the society. The problems that has been found as discuss are lack of awareness programs conducted in the area either from the society side or rom any other support.
- It can be also pointed out that the shares subscribed form the members is very low and has been lying stagnant for a very long time as there was no shares subscribed from the members. Regarding the business in terms of marketing the produce of the member farmers as well as the non members it is going well and expecting to improve better in the coming years.
- Lack of cooperation among cooperatives also has been found as it was observe that there is no participation by any other cooperatives in marketing their produce through this society which has hampered its performance in relation with the federation.
- The society has employ its secretary and one chowkidar to be its employee and all has been managed by the secretary of the society, therefore there is no major recruitment for any experts or any kind of recruitment in the society as it has been done to minimized the expenses of the society as well as it is still been able to managed by the secretary.
- Lack of maximum member and non member participation in the business deals with the Federation is one of the main factor which leads to low/unavailability of market for their products.

5.2 **SUGGESTIONS**

Suggestions were made that as it is necessary for the society to enroll more members from the area for :

- Generating more funds for the society.
- To cover more and more business area.
- To be able to bring more farmers under the umbrella of the society.
- To be able to expand its business in more remote areas that has more farmers and potential to market their produce.
- This will help the society in creating more business with the federation

which will ultimately help the members.

It was also observe that the main income that the society is generating is from the house rent it received for 2019 - 20 - Rs. 385350, for 2020 - 21 - Rs. 346100, for 2021 - 22 - Rs. 418050. It was also found that the society is planning to construct/extent the upper storey of the society's building and to rent it out as a training hall or reception hall as this will enable the society to generate additional income and profit to the society.

It was discussed that by engaging itself more and more in marketing of the various products of the members and extending its reach to non-members as well, it will help the society in building good and strong relations with the federation.

After some discussions with the members, it was found that there is very much low knowledge and information about the functioning and relations of the society with the federation, the society at its level should take the initiative in giving knowledge and information about the functioning of the society and how it will benefit the residents of the area by becoming its members.

The society needs to approach the office of the Assistant Registrar of Cooperative Societies, Shillong or the Circle Cooperative Officer of their circle to discuss regarding on how to make the people of the area aware or get the knowledge regarding cooperative society and to make the non member farmers aware regarding the benefit of joining the society and also suggestion were made to approach the local administration and discuss regarding the awareness programs that can be hold in the area and spread information about the functioning of the society.

By enrolling more members, there is high chance for the society to have more better deals in terms of marketing with the Federation.

Also it was discuss that the members of the society should be made aware regarding the important of subscribing more shares to the society which will help the society increase more paid up share capital which in turn will bring more dividend from their profit which ultimately will benefit the members.

An awareness regarding cooperation among cooperatives also is the need of the hour. When other cooperatives of the area participate or market the produce of their farmers through this cooperative, then, the concept of cooperation among cooperative will become active ad it will help both of them financially and it will make them understand that the problem of market or pricing or middlemen can be reduce to a huge extent. All of this can be achieve with an understanding and proper guidance from the awareness programs or friendship hat among the cooperators of the area.

Sources/References:

- General File, the Annual Report and the Audited Balance Sheet of THE MEGHALAYA STATE COOPERATIVE MARKETING AND CONSUMERS' FEDERATION LTD, for the year 2020 - 21
- General File, the Annual Report and the Audited Balance Sheet of THE PYNURSLA SUB - AREA MARKETING COOPERATIVE SOCIETY LTD Pynursla C&RD Block, Pynursla – 793110, Meghalaya, for the year 2019 -20, 2020 - 21 and 2021 – 22
- Records maintained by the Office of the Registrar of Cooperative Societies, Meghalaya, Shillong, Cooperation Department Government of Meghalaya
- Interaction/Interview with the staff and workers of the Federation, Secretary and members and non members of the Society.

THANK YOU

SUBMITTED BY

SHRI. ANTHONY WAHLANG
PARTICIPANTS ROLL NO. – 5623
56th BATCH PGDCBM
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