

Co-operative Marketing of Agricultural Products in Maharashtra

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Abstract: There are two important aspects to the marketing of agricultural products. The first has to do with the physical process that brings products from producers to consumers, the mental stages of this process are the collection, packaging, transport, processing, storage and lastly the retail sale of agricultural products. This first aspect shall be dealt with in detail in the pact sheet on post harvest management. The second aspect, which is addressed here, involves the market pricing mechanism. Emphasis will therefore be placed on the market mechanism that contribute to the pricing of agricultural products and on the way the producers can obtain acceptable prices for their crops.

Introduction

Understanding the pricing mechanism according to the law of demand & supply :

When as is often the case in Africa a multitude of small farmers are faced with a limited number of buyers, it is hard for them to influence prices and they often just accept the price that is offered to them. Nevertheless, the situation has greatly evolved in African countries. In Africa, for several decades, it was the state that set the price of agricultural products, especially cereal & export products. With the

withdrawal of State funding and privatization, farmers have become increasingly exposed to the market and need guidance in their marketing activities.

Agricultural Marketing in Maharashtra

For a long period of time Indian agriculture was mostly in the nature of “Subsidence farming” The farmer sold only a small part of his produce to pay all rents, debts and meet his other requirements. Such sale was usually done immediately after harvesting of crops since there were no strong facilities. A considerable part of total produce was sold by the farmers to the village traders & moneylenders often of prices considerably lower than the market prices. Therefore the government took some steps to improve the system of agricultural marketing.

The important steps are:

- [i] Organisation of regulated markets
- [ii] Grading and standardization
- [iii] Use of standard weights
- [iv] Godown and storage facilities
- [v] Dissemination of market information
- [vi] Marketing inspection
- [vii] Government purchases fixation of support prices.

Co-operative marketing :

Though the above measures have improved the system of agricultural marketing to some extent a major part of the benefits has been denied by large farmers who have adequate ‘Marketable surplus’. Therefore it is essential to form Co-operatives of small and marginal framers to enable them to obtain fair price for their produce. The Co-operative marketing gives the some advantages to small farmers for obtaining fair price for their produce.

Progress of Co-operative marketing in Maharashtra:

Two types of Co-operative marketing structures are found in Maharashtra. Under the first type there is a two tier system with primary societies at the base and the state society at the apex. Under the second type, there is a three tier system with primary societies at the village level central marketing societies at the district level, the state marketing society at the apex. The test of developing Co-operative marketing was initiated in the second five year plan on the recommendations of the “All India Rural credit survey Report” But still there is no much improvement in Cooperating marketing in Maharashtra. Because even today the agriculture produce marketed per hectare ranged to Rs.509/- in Maharashtra. This shows that the actual coverage of Co-operatives in terms of either membership of cultivators in primary societies, or their share in the total marketed agricultural produce in the Maharashtra, has remained too insignificant.

Suggestions for improvement :

- [i] It is imperative to make such changes in the cooperative marketing structure that small & marginal farms are given more representation in these societies.
- [ii] The activities of marketing co operative societies should be further diversified. For this purpose necessary financial and technical assistance should be provided to them by the state government.
- [iii] There is a need for multipurpose societies which can look upon all requirements of the formers in an integrated way. Particular emphasis needs to be laid on the integration of agricultural processing credit and marketing activities.

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