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## **A Study on Profitability of Primary Agricultural Producers on Co-Operative Marketing Societies at Coimbatore District.**

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### **ABSTRACT:**

Rural India continues to be very important to the Indian economy. The Sustainable Development Goals, a set of international objectives, acknowledge the significance of the development of the rural economy. In India, cooperatives are seen as an essential tool for rural development. Primary level Rural Financial Institutions in this case are Primary Agricultural Cooperative Credit Societies (PACS). The governance framework, among other things, has helped make these Institutions financially viable. According to several studies, the management structure of these cooperatives and its interactions with members, staff, and the State were the main governance concerns. However, relatively little attention has been paid to how governance may help Primary Agricultural Cooperative Credit Societies bridge the gap between their goals and their functions.

Based on the perspectives of members in Tamil Nadu, India, this study has sought to identify the index of indicators to measure the governance system of viable Primary Agricultural Cooperative Credit Societies. According to this study, the participants in the sample Primary Agricultural Cooperative Credit Societies understood the value of the governance system. This investigation came to the conclusion that different economic characteristics may have been the forces behind financial viability.

Keywords: Primary Agricultural Cooperative Credit Societies, Sustainable Development Goals, Cooperative Governance, Business Diversification, Fit and Proper Criteria

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### **INTRODUCTION**

Agriculture has been the rock foundation of the Indian Economy. Indian agriculture has, for many decades, been practised as a means of sole subsistence by millions of Indian farmers. The economic position of the farmers to a larger extent depends on the prices that they get for their agricultural produces. One of the inherent defects in the agricultural marketing system in all the agricultural countries is that the farmers have less control over the determination of prices for their produces. The prices are determined by the broad factors of supply and demand in the open market. The fate of the farmers in these countries is that they have to sell their produces at considerably low prices and to purchase their requirements at higher prices. This is due to the existence of many middlemen in the open market who are sucking the blood of both the farmers and the producers. The prices for agricultural produces will improve only when these large number of intermediaries cheating both the producers and consumers in all channels of marketing are eliminated completely. The volume of agricultural produces actually marketed by the farmer producers depends upon the marketable surplus, immediate need for cash, price trends, availability of storage facilities etc. act as middlemen and take their commission after marketing the agricultural produce of the farmers. Co-operative Marketing is, thus, a process of marketing through a co-operative association formed to perform one or more of the marketing functions in respect of the produce of its members. It is a voluntary business organisation established by its members to market the farm products collectively for their direct benefit.

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### **STATEMENT OF THE PROBLEM**

With 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. The income of the farmer today depends to a large extent, on the ability with which he can market his produce for a fair price. Even if the production side is strengthened and the cultivation is promising, the cultivator would not gain much, if there is no proper arrangement for marketing his produce as the benefits of better farming would probably be reaped by middlemen intervening between them and the ultimate consumer. In view of their weak bargaining power, majority of the farmers resort to distress sales of surrendering their produce to the traders at predetermined prices in view of their prior commitment. .

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## OBJECTIVES OF THE STUDY

- To study the working and progress of PAPCMS in Tamil Nadu.
- To know the profitability of the PAPCMS and the relationship between
- profitability and the factors influencing profitability.

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## LIMITATION OF THE STUDY

- The study is limited to the concept of cooperative and agricultural marketing.
- The information is collected from Coimbatore district only.
- The primary data was collected from 130 respondents of Coimbatore district.

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## SCOPE OF THE STUDY

- The study has vast scope, but in this study the benefits of co-operative marketing
- societies and the profit earned through it was analyzed.
- This study was only concerned with the PAPCMS at mandi level.

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## REVIEW OF LITERATURE

**Alok Kumar sahu (2020)** in the article "Critical Review on Cooperative Societies in Agricultural Development in India" challenges faced were lack of professionalism, lack of infrastructure, political interference, nepotism, unawareness of members, meager shareholding, overdependence on financing agencies for credit, poor recovery are hindering the sustainability of societies.

**Sabine duvalaix, Laure latruffe (2021)** "Agricultural Cooperative And Farm Sustainability" identifies the main agricultural inputs like seeds, fertilisers, pesticides, implements and credit which are used by cultivators and the distributive channels through which these inputs are bought. An attempt has also been made to locate the problems in the procurement of specific inputs and to make suggestions for the improvement of their marketing.

**Andres Felipe Camargo Benavides (2021)** "Rediscovering the Cooperative Enterprise rates A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise".

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## RESEARCH METHODOLOGY

### RESEARCH DESIGN:

The descriptive research design was applied in the research methodology of the study. Research design is said to be the systematic approach of studying a research problem.

### SAMPLE SIZE:

The 130 samples are decided to be selected from Coimbatore district.

### AREA OF THE STUDY:

Coimbatore district was the area of the study.

### CONVEINENCE SAMPLING METHOD:

The sampling method that was used for the purposive sampling method. It is also known as judgemental sampling. The researchers decide on the people in the research population that should be contacted for responses.

### SOURCE OF DATA COLLECTION

The present study is based on a survey conducted in Coimbatore district with the help of both primary and secondary data.

### PRIMARY DATA

In the primary data, the data has been collected through the questionnaire. Questionnaire were filled by the respondents.

### SECONDARY DATA

In the secondary data was collected by going through websites, which have been collected by someone else and which have already been passed through the statistical process.

#### TOOL TO ANALYSIS:

The tools used for analysis are

- Simple percentage analysis
- Ranking analysis
- Weighted average method.
- Chi Square analysis

#### SIMPLE PERCENTAGE ANALYSIS

##### AGE

S. No	Age	No. of respondents	Percentage
1.	Below 30	36	27.7
2.	30 years to 40 years	60	46.2
3.	40 years to 50 years	31	23.8
4.	Above 50 years	3	2.3
	<b>Total</b>	<b>130</b>	<b>100</b>

##### Interpretation

The above table shows that out of 130 respondents 27.7% of them are below 30, 46.5% of them are between 30 to 40 years, 23.8% of them are between 40 to 50 years, 2.3% of them are 50 and above years.

#### RANKING ANALYSIS

##### RANKING THE FEATURES OF AGRICULTURAL COOPERATIVE SOCIETY

Attributes	1(5)	2(4)	3(3)	4(2)	5(1)	Total	Rank
Immediate cash payment	106	9	5	6	4	130	I
	530	36	15	12	4	597	
Less chance of malpractice	4	54	46	19	7	130	III
	20	216	138	38	7	419	
Purchase of entire product	22	25	51	26	6	130	II
	110	100	153	52	6	421	
Fair price fixing	15	37	36	33	9	130	IV
	75	148	108	66	9	406	
Staff behaviour to farmers	15	35	32	33	15	130	V
	75	140	96	66	15	392	

##### INTERPRETATION:

From the above table, in the ranking analysis it is found that Immediate cash payment (Rank I), which comes next followed by less chance of malpractice (Rank III), Purchase of entire product (Rank II), Fair price fixing (Rank IV), Staff behaviour to farmers (Rank V).

#### CHI SQUARE ANALYSIS

##### RELATIONSHIP BETWEEN THE FARM SIZE AND LAND USED FOR CULTIVATION

Farm Size	LAND USED FOR CULTIVATION			Total
	Both own land and lease land	Lease land	Own land	
0-2	2	1	0	3
2-4	16	22	20	58
4-6	33	8	20	61
6 and above	4	1	3	8
Total	55	32	43	130

#### HYPOTHESIS

There is no significant between farm size and land used for cultivation.

Factor	Calculated value	Df	Table value	Remarks
Farm size	14.609 <sup>a</sup>	6	11.070	Rejected

#### INTERPRETATION:

It is clear from that the table shown that, the calculated value of chi-square at 27.5634% level is more than the table value. Hence, the hypothesis is rejected. So, there is significant relationship between farm size and land used for cultivation.

#### SUGGESTIONS:

- The activities of marketing cooperative societies should be further diversified.
- For this purpose, necessary financial and technical assistance should be provided to them by the state government.
- The marketing cooperative societies must have proper storage facilities to spread the sales over the entire period of demand which is in the interest of both the producers and consumers.
- The supervisory staff of the cooperative department should see that the marketing societies are not dominated by traders

#### CONCLUSION

The service sector's rate of growth has been quite impressive, but the agricultural sector has been lagging. Market forces do not release growth forces and they continue to produce low-income activities horizontally at the most. Farmers often must face a well-organized mass of clever intermediaries because of ignorance and illiteracy. In the field of agricultural marketing, the role of the cooperatives has progressively expanded. Besides, numerous cooperative agro-processing units are promising extraordinary potential to boost the Indian economy. Agricultural marketing and agri-business cooperatives, therefore, occupy an important place in India's overall agricultural development strategy. The marketing cooperative societies are therefore indispensable for the growth of the agricultural community and the government must take all the required measures to revive them from their dormancy and thus allow the farmers to obtain the maximum prices possible.