Marketing is a comprehensive term covering a large number of functions. Recently the concept of marketing has broadened considerably. It includes not only purchases and sales of products, but also the various business activities and process involved in bringing the products from the producer to the consumer. So an efficient and organized marketing is essential for the healthy growth of any community.

Marketing is one of the major problems of Indian agriculture. Owing to lack or shortage of suitable market, infrastructure, farmers are compelled to dispose off their produce at very low prices and, thus, they are deprived of the real income which they should get out of their venture. At this condition, co-operative marketing can prove very beneficial and of course the only solution.

According to the Reserve Bank of India, a co-operative marketing society "is an association of cultivators formed primarily for the purpose of helping the members to market their produce more profitably than possible through the private trade." In general it is a process of marketing of products which enables the growers to market their produce at better prices, followed by the intention of securing better marketing services and ultimately contributing to improvement in the standard of living of members.
Agricultural marketing begins at the farmers field. It includes several activities like assembling the produce, grading, storage, packing, processing, value – addition, gathering market information, transportation, selling etc., There are certain special features attached to agricultural marketing which is different from that of manufactured goods. These are; perishability of the product, seasonability of production, bulkiness of products, variation in quality, irregular supply, small size and scattered production, processing etc.,

Marketing Difficulties:

Even though the conditions have improved over the years with regard to agricultural marketing still there are problems like long chain of middlemen, multiplicity of market charges, adulteration and lack of grading, traditional method of sale, weighing procedure, delayed payment, low marketable surplus, inadequate storage facilities, defective transport, lack of market information, insufficient number of regulated markets, financial problem, inefficient management, lack of integration between production and marketing etc.,

Importance of co-operative Marketing:

Organized marketing is of considerable significance to the economy of a country. In fact, a well organized co-operative marketing structure is an essential pre-requisite for large scale increase in co-operative credit. Under the crop loan system, there is a shift in the emphasis from land to crop as the main security, and linking of credit with marketing would provide a built – in mechanism for recovery of production loans also.
Apart from the above the prevailing hurdles in agricultural marketing can be solved through co-operative marketing system in a country like India. The following are some of the important reasons which justify the establishment of co-operative marketing structure.

- To overcome the malpractices.
- To reduce the price – spread between the producer and the consumer.
- For large-scale expansion of co-operative credit.
- For integration.
- To improve the economic conditions of the producers by strengthening his bargaining power.
- To educate the farmers.
- To overcome the problem of unwanted participation of multi-national companies in domestic marketing.

**Role of co-operative marketing**

Co-operative marketing plays a significant role in the following areas;

- Optimization in resource use and output management.
- Widening the markets
- Growth of agro-based industries
- Generates Employment
- Increase in farm income.

**Aims and objectives of co-operative marketing**

The broad aim of co-operative marketing societies is to rationalize the whole marketing system so that it may be beneficial to the producer. Its basic
objective is to strengthen the bargaining capacity of the farmer so as to secure him better price and eliminate the superfluous middlemen.

**Objects and aims**

- Strengthen the bargaining capacity of the cultivation.
- Secure the member a better price for their produce.
- Eliminate the middlemen.
- Provide members the needed finance.
- Persuade the farmer to grow better quality products.
- Stabilize the price.
- Developing fair trade practices.
- Provide the facility of grading and transportation.
- Act as an agent of government for procurement and implementation of price support policy as well as market intervention scheme.
- Promote the economic interest of its members by encouraging self help, thrift and better farming among members.
- Act as a distributive center for agricultural requisites such as seeds, implements etc.,
- Help in the expansion of co-operative credit programme by linking marketing with credit.
- Educating the farmers.

**Structure and Organisation**

The structure of co-operative marketing societies in India consists of;

1) National Agricultural Co-operative Marketing Federation (NAFED) at the National level.

2) State Marketing Federation at State level.
3) District or Regional Marketing Societies at the intermediate level and

4) Primary Marketing Societies at grass root level.

**National Agricultural Co-operative Marketing Federation (NAFED)**

NAFED is the federal organisation of state level apex cooperative marketing societies in India. It was established on 2\textsuperscript{nd} October 1958. The objects of NAFED are to organize, promote and develop marketing, processing and storage of agricultural produce, distribution of agricultural machinery implements and other inputs, undertake inter state, import and export trade, wholesale or retail as the case may be and to act and assist for technical advice in agricultural production for the promotion and the working of its member and cooperative marketing, processing and supply societies in India.

At present, the federation has 836 members of which 781 are primary marketing /processing societies. The composition of the membership as on March 31, 2010 is given in the following table

**Table**

Composition of Membership in NAFED

<table>
<thead>
<tr>
<th>Category</th>
<th>Total Number of Membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>State level marketing federations</td>
<td>25</td>
</tr>
<tr>
<td>Apex level marketing federations</td>
<td>03</td>
</tr>
<tr>
<td>State level tribal and commodity federations</td>
<td>24</td>
</tr>
<tr>
<td>Primary Marketing / processing societies</td>
<td>781</td>
</tr>
<tr>
<td>Government of India</td>
<td>01</td>
</tr>
<tr>
<td>NCCF and other national level cooperative organizations</td>
<td>02</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>836</strong></td>
</tr>
</tbody>
</table>

Source: NAFED
**MARKFED**

The Punjab state Cooperative supply and marketing federation Ltd (MARKFED) was registered in 1954. It plays a pivotal role as a catalyst for integrated development and growth in the rural areas of Punjab. It helps in stabilizing the market rates of farm produce, ensures supply of quality goods. Helps in generating employment and contributes substantially towards earning foreign exchange.

At present, about 3069 members and has emerged as Asia’s largest marketing cooperatives. Markfed is not only marketing the products in the domestic markets but also in the international markets. It is exporting canned products, bitted products, agro-chemicals, edible oils, animal feeds etc., to Australia, Canada, Greece, Italy, U.K and U.S.A. It is contributing to research and development through Punjab Agricultural University.

**HAFED in Haryana**

The Haryana state cooperative supply and Marketing federation Limited is the largest apex cooperative federation in Haryana state. It came into existence in 1966. Since then it is playing a leading role in serving the farmers of the state as well as customers in India and overseas by providing hygienic and safe quality consumer products. It has 712 members societies.

**TANFED in Tamil Nadu**

The Tamil Nadu co operative Marketing Federation Ltd was started in 1959. It is an apex level organization of the state having the membership of 111 primary cooperative marketing societies. This federation is having its own fertiliser production unit. One of the special features of this is it provides mobile telephone services to farmers through co operatives.
The Karnataka State co-operative Marketing Federation Ltd.,

It plays a major role in supplying chemical fertilizers, pesticides, agricultural implements etc., It is also engaged in marketing of certain consumer products. The Federation has 477 members and consists of its own pesticide formulation Unit.

Processing Co-Operatives

Processing of food grains and other agricultural commodities is the most important stage in preparing them fit for ultimate consumption. Almost all the agricultural products have to undergo one or mere stages for processing before they reach the consumer. This is carried out by the co-operatives in crops like sugar, cotton, Jute, groundnut, fruits, vegetables, arecanut, coffee etc.,

Leading Multi-state co operative Marketing and processing societies.

- CAMPCO
- COMARK
- RUBBER MARKETING AND PROCESSING
- MAMCOS
- APCOS
- DAIRY
- COIR

District marketing Societies

These societies exist only in few states these are expected to co-ordinate the functions of primary marketing societies both in regard to marketing of agricultural produce and distribution of agricultural inputs and consumer goods. Along with these they are also undertaking processing and inter-district trade etc.,
**Primary marketing societies**

These are by and large located at the secondary market or wholesale assembling centers. However, in few states, marketing societies were organized at the headquarters of the block or Taluk. These societies are arranging the agricultural produce of the members for sale, provide transport, encourage members to grow improved and standardized varieties of produce, process raw material, supply inputs, acts as commission agency, undertakes outlight purchase, advances pledge loans, provides storage facilities etc.,

**An Evaluation**

The marketing of agricultural produce on cooperative basis has not, however, achieved success to the extent desired. Several studies revealed that these societies have made a negligible impact on the cultivators about their ability and scope as good marketing institutions. Most of the primary societies did not effectively cover all the villages in term of membership of growers and collection of agricultural produce. Many of the state-level societies did very little marketing business and they were involved in distribution and supply functions. Their role in promoting an inter-state or inter-district and in helping the primary society in disposing of their produce was negligible.

The main reasons why members do not sell their produce through these societies are;

- Dealing with the co-operative marketing societies resulted in much botheration and were serious delays.
- Lack of arrangements for lifting the stocks from the villages and the farmers found it costly to take produce from their farm to the co-operative marketing societies.
Many members did not have adequate knowledge of the functioning of the co-operatives, therefore, they did not know as to what were the advantages in selling to the societies.

The price offered to the members in the open market is generally more than offered by the societies.

Members have little confidence in the co-operative societies and their personnel.

Lack of personal care and contact.

**Why poor performance?**

Eventhough our co-operative movement has a long history and base, still the performance of the co-operative marketing societies are not encouraging due to the following causes;

1) **Departmental initiate**

   One of the basic weakness of these societies has been that they have been organized on the initiative of the departmental officials and not through the efforts of the farmers.

2) **Absence of Targets**

   There is a wide gap between the targets and the actual achievements due to the unrealistic nature of targets and inadequate planning.

3) **Unplanned set-up**

   Lack of attention to have appropriate norms with regard to the coverage of area, the volume to be handled, the financial resources etc.,

4) **No Integration of tiers.**

   So far no serious efforts have been made to link with the district or regional marketing societies. In many cases credit societies are also not linked to marketing societies.
5) **Weak link**

Efforts are not made to link marketing societies in between the states.

6) Competition from credit societies

7) Bias towards individual membership

8) Poor management

9) Favoritism and malpractice

10) Lack of supervision

11) Concentrations on distribution activities

12) Purchase through private traders.

13) Weak economic base

14) Poor membership participation

15) Absence of common brands

16) Lack of shopping environment

17) Loss and increasing NPAs

18) Absence of professional management.

**What morphing is needed?**

Co-operatives today are viewed as failed institutions encircled by inefficiency and corruption. This should be changed. For this regard what is needed is their morphing into new design of working so that these weaknesses can be managed effectively.

1. Raising the share capital

2. Making the business attractive

3. Altering the working pattern

4. Be professional

5. Educating the members
6. Develop new products  
7. Adding value in the services  
8. Converting the existing societies in to retail shops.  
9. Providing incentives to the farmers for their active participation.  
10. CO-operation among the cooperatives.  
11. Going for R & D  
12. Respecting the views and innovative ideas of the members.  
13. Attracting customers through advertisement and marketing strategies.  
14. Providing unique services.  

Agricultural products are marketed in India still through traditional manner where the scope for middlemen participation is higher. So as to solve this the country has to rebuild the cooperative marketing societies. In this regard marketing co-operatives should be owned by the producers in real sense. For gaining success in cooperative marketing society it should have its own macro network and it has to take up the responsibilities of collection, transportation, storage, processing and sale of agricultural output. Along with these it has to make arrangements to have direct contact between the farmers and the consumers through cooperative network. Thus, the sale of agricultural products takes place from one cooperative to another, and in principle, the profitability for the producer increases while the purchase price for the consumer decreases.
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