

**REPORT  
ON  
COOPERATIVE MARKETING OF JUTE  
IN WEST BENGAL**

By

**THE STUDY TEAM ON COOPERATIVE MARKETING**



(J741):5/ THE NATIONAL COOPERATIVE DEVELOPMENT  
AND WAREHOUSING BOARD

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## CONTENTS

|         |     |     |   | PAGES     |
|---------|-----|-----|---|-----------|
| Chapter | I   | ... | Introductory  | ... 1—4   |
| Chapter | II  | ... | Existing Arrangements for<br>Marketing of Jute                          | ... 5—15  |
| Chapter | III | ... | Need for Cooperative Marketing<br>of Jute in West Bengal                | ... 16—20 |
| Chapter | IV  | ... | Structure and Operations of<br>Marketing Cooperatives in<br>West Bengal | ... 21—24 |
| Chapter | V   | ... | Recent Developments   | ... 25—27 |
| Chapter | VI  | ... | Recommendations   | ... 28—46 |
|         |     |     | Annexures I—V   | ... 47—80 |

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## CHAPTER I

### INTRODUCTORY

#### **Appointment of the Study Team**

1.1 The National Co-operative Development and Warehousing Board, in its meeting held on 26th February, 1961, while examining schemes relating to co-operative development under the Third Five-Year Plan, made certain observations about the progress of co-operative marketing societies during the Second Five-Year Plan. At this meeting, it was suggested that the Ministry of Community Development and Cooperation, on the basis of the information available with the Ministry, may prepare a note analysing the progress of cooperative marketing societies and the difficulties generally experienced by them. Accordingly a note, prepared by the Ministry (Annexure I), was considered at the meeting of the Executive Committee of the Board held on 20th June, 1961, and it was decided that a team consisting of the Deputy Secretary (Marketing) and Director (Trade) of the Ministry of Community Development and Co-operation, the Agricultural Marketing Adviser to the Government of India, Ministry of Food and Agriculture, or his representative and a representative each of the Reserve Bank of India and the State Bank of India should be appointed. The Executive Committee also desired that marketing officers of concerned states should be associated with this work and the Secretary of the Board should act as the convener of the Team.

#### **Composition of the Team**

1.2 Accordingly the Study Team consisted of the following :

1. SHRI S. S. PURI, I.A.S.,  
Deputy Secretary,  
Ministry of C.D. & C.  
(Department of Cooperation).
2. SHRI V. P. SETHI,  
Director (Trade),  
Ministry of C.D. & C.  
(Department of Cooperation)
3. SHRI N. P. CHATTERJEE, I.A.S.,  
Agricultural Marketing Adviser to the  
Government of India,  
Ministry of Food & Agriculture.

4. **SHRI A. N. VIJ,**  
Deputy Chief Officer,  
Agricultural Credit Department,  
Reserve Bank of India,  
New Delhi.
5. **SHRI S. C. NAGAR,**  
Development Officer,  
State Bank of India,  
New Delhi.
6. **SHRI B. M. CHITNIS,**  
Secretary,  
National Cooperative Development  
and Warehousing Board,  
New Delhi. (Convener)

As Shri M. N. Muttu took over the charge of the post of Development Officer, State Bank of India, New Delhi, from Shri S.C. Nagar with effect from 1st October, 1961, Shri M. N. Muttu represented the State Bank of India on the Team from that date.

Shri N. C. Ray, Joint Director, Agricultural Marketing, West Bengal, and Shri Madhava Das, Deputy Chief Officer, Agricultural Credit Department, Reserve Bank of India, Calcutta, were also associated with the Team's work in the study of cooperative marketing of jute in West Bengal.

#### **Terms of reference**

1.3 The terms of reference of the Team were to undertake investigation into the development of co-operative marketing of :

- (i) Jute in West Bengal,
- (ii) Paddy in Andhra Pradesh, and
- (iii) Wheat in Rajasthan,

1.4 In particular, the Team was asked to examine the following points :

- (i) Whether facilities for marketing finance from (a) co-operative banks and (b) State Bank of India were adequate and flexible and especially whether the relative absence of clean credit facilities affected the business of marketing societies.

- (ii) Whether in actual operation, certain taxes and policies e.g. sales tax and state trading in foodgrains, tended to retard the development of co-operative marketing because evasion was more difficult in cooperative institutions.
- (iii) Whether the want of processing facilities affected the development of cooperative marketing ;
- (iv) Whether the inability of marketing societies to undertake (a) purchases on any large scale and (b) sales in the forward market affected their business ; and
- (v) Whether opposition from private interests hampered co-operative marketing.

### **Method of enquiry**

1.5 The terms of reference of the Team include investigation of the problems of cooperative marketing of jute in West Bengal, wheat in Rajasthan and paddy in Andhra Pradesh. As, however, each crop presents different problems, we have decided to deal with each crop separately. Therefore, this report deals with cooperative marketing of jute in West Bengal only.

1.6 The Team held its first meeting on 3-8-1961 when method of work was discussed. It was decided to collect information on certain points, such as : (i) district-wise area under cultivation and the production of jute, (ii) marketing structure, (iii) marketing agencies and practices, (iv) processing activity, (v) marketing finance, (vi) pricing pattern, and also (vii) the role of cooperatives in the overall marketing of jute and the problems and the difficulties encountered by them in the marketing operations. Accordingly, two sets of questionnaires were prepared. One set of questionnaire was sent to the Joint Director of Agricultural Marketing, West Bengal to collect general information regarding the acreage, production and the marketing structure and practices in the state. The other set was sent to the Registrar, Co-operative Societies, West Bengal for eliciting information regarding the role of cooperatives in the marketing of jute and the problems and difficulties faced by them. The questionnaires are appended as Annexure II and III.

1.7 Prior to the visit of the Team to West Bengal, Shri S. T. Khushalani, Research Officer of the Board, was deputed to make on the spot enquiry and collect preliminary data on the points mentioned above. Subsequently, the Team visited West Bengal during the first week of October, 1961. The Team examined the working of the following

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- (iii) Whether the want of processing facilities affected the development of cooperative marketing ;
- (iv) Whether the inability of marketing societies to undertake (a) purchases on any large scale and (b) sales in the forward market affected their business ; and
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co-operative marketing societies and jute markets in the districts of 24 Parganas, Cooch-Bihar and Jalpaiguri :

- (i) The Bongaon Central Cooperative Marketing Society Ltd., District 24 Parganas.
- (ii) The Kharibari Large-sized Cooperative Agricultural Marketing Society Ltd., District Darjeeling.
- (iii) The Sovabari Large-sized Cooperative Agricultural Marketing Society Ltd., District Jalpaiguri.
- (iv) Chandpara Market, Chandpara, District 24 Parganas.
- (v) Haldibari Market, District Cooch-Bihar.

1.8 The Team held discussions with the West Bengal Apex Co-operative Agricultural Marketing Society, Director, Economic Research Section of the Indian Central Jute Committee and officers of the Agriculture and Cooperative Departments. The Team also participated in a meeting convened by the Jute Commissioner at Calcutta under the chairmanship of Shri B.P. Patel, Adviser, Planning Commission on 6-10-1961 to discuss the role that cooperative marketing societies could play during 1961-62 season in the proposed plan of creating a buffer stock agency for jute. This meeting was attended by representatives of Cooperative Departments and apex marketing societies of the jute growing states of Assam, Bihar, Orissa, Uttar Pradesh, West Bengal and Tripura. Representatives of the Indian Jute Mills' Association and the National Agricultural Cooperative Marketing Federation were also present.

#### **Acknowledgement**

1.9 We are grateful to Shri N. N. Chatterjee, Secretary to the Government of West Bengal (Coop), Shri S. Dutt, Registrar of Cooperative Societies, West Bengal, Shri N.C. Ray, Joint Director, Agricultural Marketing Department, West Bengal and Shri J. Sengupta, Deputy Registrar (Marketing) for giving us the benefit of their views on various problems and for the assistance rendered to us in connection with our visits to different places. We are also thankful to the representatives of various cooperative and other institutions visited by us.

We also record our appreciation of the services rendered by Shri S.T. Khushalani, Research Officer of the Board for the excellent manner in which he assisted the Team in the compilation, analysis and evaluation of the relevant data and drafting of this report.

## CHAPTER II

### EXISTING ARRANGEMENTS FOR MARKETING OF JUTE

#### Trends of jute production in the country

2.1. Before describing the existing arrangements for marketing of jute, we consider it necessary to give some data about trends in jute production in the country in general and West Bengal in particular, because these trends are indirectly indicative of the problems connected with marketing of jute.

2.2. Before partition of the country, jute was largely grown in the eastern part of the undivided Bengal. As a result of the partition, most of the areas, accounting for about 75% of the production of best quality jute in Bengal, remained with Pakistan while the entire mill industry was concentrated in India. Thus, immediately after partition, only about 16.58 lakh bales of jute were grown in India although requirements of jute mills were about 60 to 65 lakh bales. India thus became dependent for her jute supplies on Pakistan. The Government of India, therefore, undertook various measures for increasing the internal production of raw jute. An integrated production programme was launched in 1950-51. The lifting of price control on raw jute and jute goods, early in 1951, provided a further stimulus to jute cultivators and the production in 1951-52 reached the unprecedented level of 46.78 lakh bales. This tempo could not, however, be maintained and production fell to 45.9 lakh bales in 1952-53, 30.9 lakh bales in 1953-54 and touched as low as 29.3 lakh bales in 1954-55. This sharp decline was mainly due to low prices of raw jute at the sowing time and unfavourable weather conditions. The position, however, improved subsequently and the production went up to 42 lakh bales in 1955-56 and 46.05 lakh bales in 1959-60.

#### Trends of jute production in West Bengal

2.3. The trend of production of jute in West Bengal is indicated by the figures given below :—

| <i>Year</i> | <i>Production in 1,000 bales of 400 lbs. each</i> |
|-------------|---|
| 1947-48     | 649   |
| 1951-52     | 2,389   |
| 1955-56     | 2,089   |
| 1959-60     | 2,169   |
| 1960-61     | 1,986   |

2.4. District-wise area and production of jute in West Bengal, during the year 1959-60 and 1960-61 was as under.

| <i>Name of Distt.</i>      | <i>Area under cultivation<br/>(000 acres)</i> |              | <i>Total production in<br/>'000 bales</i> |                |
|----------------------------|---|--------------|---|----------------|
|                            | 1959-60                                       | 1960-61      | 1959-60                                   | 1960-61        |
| 24 Parganas                | 63.7  | 62.9         | 126.1                                     | 216.4          |
| Nadia                      | 80.9  | 74.0         | 214.4                                     | 183.5          |
| Murshidabad                | 127.8   | 118.2        | 306.7                                     | 290.8          |
| Burdwan                    | 17.3  | 16.7         | 57.8                                      | 45.6           |
| Birbhum                    | 0.7   | 0.4          | 1.9                                       | 1.1            |
| Bankura                    | 1.3   | 1.3          | 3.5                                       | 3.7            |
| Midnapore                  | 33.1  | 20.8         | 127.1                                     | 57.4           |
| Hooghly                    | 63.0  | 58.9         | 203.5                                     | 248.6          |
| Howrah                     | 11.7  | 10.5         | 25.7                                      | 35.2           |
| Jalpaiguri                 | 83.4  | 87.6         | 281.9                                     | 261.0          |
| Darjeeling                 | 5.3   | 6.0          | 16.7                                      | 19.4           |
| Malda                      | 58.1  | 51.0         | 111.6                                     | 118.3          |
| West Dinajpur              | 65.8  | 43.2         | 129.6                                     | 98.1           |
| Cooch-Behar                | 108.6   | 100.4        | 332.3                                     | 251.0          |
| Purulia                    | 0.5   | 0.9          | 1.4                                       | 2.6            |
| Islampur (Sub-division)    | 102.4   | 67.5         | 229.4                                     | 153.9          |
| <b>Total : W. Bengal :</b> | <b>823.6</b>                                  | <b>720.3</b> | <b>2,169.6</b>                            | <b>1,986.0</b> |

It would be seen from the above table that of the 15 districts, 8 districts account for nearly 90 p.c. of production.

#### **Marketable surplus of jute**

2.5. Jute is a cash crop and almost the entire production is marketable surplus; only about 3% of the total production is retained by cultivators for seed and about 2% for domestic purposes like rope-making. Thus about 95% of the total jute production can be taken as marketable surplus.

#### **Marketing period of jute**

2.6. The period of sowing operations of jute extends from March to May. The crop is usually harvested between June and September. About two-thirds of the crops is sold by the growers by the end of October. The average sales for different months are given below :

*Monthly Sales of Jute by Growers*  
(Percentage)

| <b>Month</b> |      |
|--------------|------|
| July         | 4.7  |
| August       | 9.1  |
| September    | 22.2 |
| October      | 28.1 |
| November     | 12.3 |
| December     | 7.1  |
| January      | 5.5  |
| February     | 3.7  |
| March        | 2.7  |
| April        | 1.4  |
| May          | 0.7  |
| June         | —    |
| Total        | 97.5 |

### **Varieties and grades of jute**

2.7. Broadly, jute is classified into two distinct botanical varieties, namely, *C. Capsularis* and *C. Olitorious*, which are commonly called white jute and tossa jute respectively. It is estimated that, of the total production, about 75% is white jute while the rest is tossa jute. These two varieties of jute are further sub-divided into top, middle, bottom and X-bottom grades depending upon factors such as strength, colour, lustre, length and percentage of cuttings etc.

2.8. Another classification of jute is based on its technical characteristics according to which jute may be of Jat, District, Northern, Western, Assam, Orissa, Jungli and Mesta varieties. The Jat variety is the best type of jute generally used for the manufacture of special bright Hessian. Each of the above varieties are further sub-divided into four grades, viz., top, middle, bottom and X-bottom.

### **Preparation for marketing**

2.9. Before jute becomes marketable, it undergoes a strenuous process of retting. After being cut, it is put into water for a period of about three weeks and, for this purpose, it requires an adequate supply of natural slow-flowing water. Quality of jute depends to a large extent upon the availability of such retting facilities. During a year of insufficient rain-fall, producers have to incur considerable expenses on transportation of jute to river banks for retting operations.

### Type of markets

2.10. The types of markets in West Bengal are as under :

- (i) Weekly and bi-weekly hats, i.e., village primary markets within the radius of 2 to 6 miles of the producing areas.
- (ii) Secondary markets or mandis located mostly in important road and rail heads within the producing areas.
- (iii) Lastly, the terminal markets, i.e., loose jute markets of Hat Khola, Cossipore, Shyambazar, located in Calcutta.

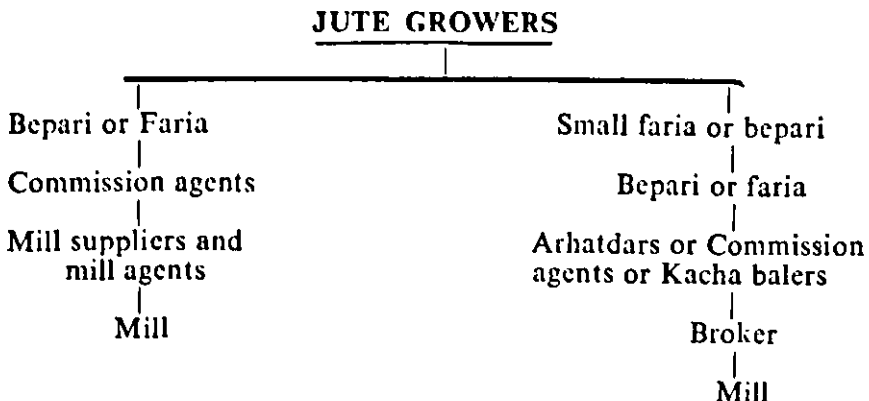
2.11. The total number of hats and markets in West Bengal is estimated to be about 2,200. However, the number of important markets is about 135 as under :

|                | <i>Weekly</i> | <i>Bi-Weekly</i> | <i>Daily</i> | <i>Total</i> |
|----------------|---------------|------------------|--------------|--------------|
| (i) Primary    | 12            | 50               | —            | 62           |
| (ii) Secondary | 10            | 30               | 30           | 70           |
| (iii) Terminal | —             | —                | 3            | 3            |
| <b>Total</b>   | <b>22</b>     | <b>80</b>        | <b>33</b>    | <b>135</b>   |

In West Bengal, there are no regulated markets. However, a Regulated Markets Bill is under consideration of the State Government.

### Market functionaries

2.12 In the movement of raw jute from producers to the mills, the number of intermediaries varies from 3 to 5 depending on the proximity of jute growing area to the secondary market and the jute mills. The position of such intermediaries is presented in the following tree :



2.13 In areas proximate to jute mills, beparies or farias procure jute directly from villagers and supply to commission agents who in turn supply to brokers or mill agents. In other areas, the number of inter-

mediaries increases. In such areas, at the primary market level or village level there are small farias or beparies, who collect jute from the growers and take it to secondary market for sale to arhatdars or kacha balers. At some of the secondary markets, a few jute mills have opened their own agencies for the purchases of jute directly from the farias. At the primary market, a considerable number of farias or beparies operate, but, in the secondary markets, number of arhatdars is relatively small. The number of arhatdars at four secondary markets visited by us was as under :

| <i>Market</i>   | <i>Yearly arrivals of jute (in mds.)</i> | <i>No. of arhatdars</i> |
|-----------------|--|-------------------------|
| 1. Chandpara    | 4 to 5 lakhs                             | 11                      |
| 2. Balia        | 1 lakh                                   | 15                      |
| 3. Majda        | 3 lakhs                                  | 8                       |
| 4. Sheoraphulli | 20 lakhs                                 | 20                      |

At Chandapara market, of the 11 arhatdars, 2 are mill agencies and at Sheoraphulli market, of the 20 arhatdars, 8 are mill agencies.

### Marketing operations

2.14 It is estimated that about 50% of the marketable surplus of jute is sold by growers in their own villages to peripatetic intermediaries and balers' representatives. Another 42% is sold by them in the neighbouring hats or primary markets. In other words, only about 8% is sold by the growers in the secondary markets. The reasons for sale of bulk of the produce by the cultivators at places other than secondary markets may be briefly indicated below :

(i) Beparies or farias advance money to the producers for production and consumption purposes subject to an agreement that latter would sell their produce to the former. This system is generally prevalent in West Bengal and is commonly known as "Dadan system".

(ii) Beparies or farias go to the villages and collect the produce at the very door of the grower.

(iii) In many secondary markets the kutchha balers are generally not inclined to make purchases of small quantities of jute which individual growers can offer for sale.

(iv) In some cases there are difficulties of transportation to secondary markets. Growers may not find it worthwhile to incur the

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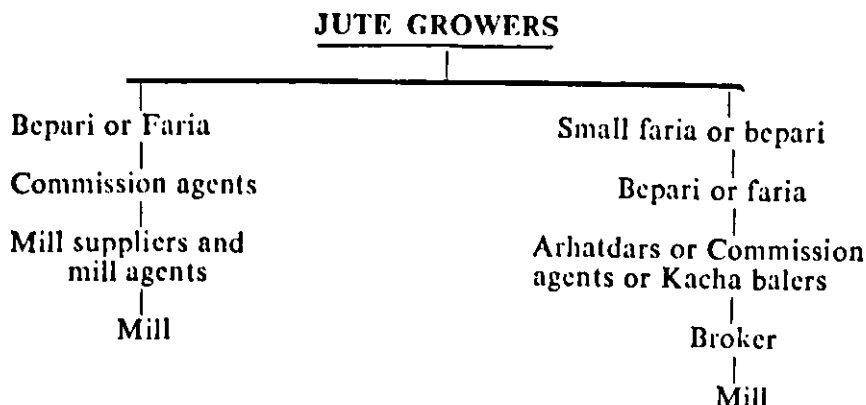
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(iv) In some cases there are difficulties of transportation to secondary markets. Growers may not find it worthwhile to incur the



cost of transportation and therefore dispose of their produce in the village or weekly or bi-weekly hat or primary market.

2.15 Of the 132 jute markets in West Bengal, about 100 are those in which yearly arrivals range between 10,000 mds., and one lakh mds. and 32 are those where more than one lakh mds. arrive annually. The list of such markets is appended as 'Annexure IV'.

### **Transportation of jute**

2.16 Transport plays an important role in jute trade because of the fact that jute is produced in several areas lying at considerable distance from the jute mills or the terminal markets in Calcutta. The following are the different means of transport in the rural areas :

- (a) Country boats.
- (b) Bullock carts.
- (c) Pack animals.
- (d) Head loads and
- (e) Motor lorries.

In West Bengal, carts and country boats are particularly important in the movement of jute from country side to secondary markets. Transportation difficulties have often been felt in the movement of jute particularly from up-country markets to Calcutta terminal markets. Enquiries reveal that the lack of transport facilities have resulted in longer storage of jute, thereby involving additional expenditure on account of extra storing charges, loss of weight in drriage, interest on capital outlay and insurance, all of which put together amount to six to eight annas per maund per month. These difficulties and the extra expenses to be incurred naturally make the up-country kutchra balers some times offer unduly depressed prices in the mofussil markets. It is not uncommon for balers' prices in the up-country markets to be lower than Calcutta parity rates by about Rs. 8 to 12 per maund.

### **Grading of jute**

2.17 Growers generally sell their jute without assorting it into commercial grades. They usually receive the bottom-grade price for their unassorted lots and are, therefore, financially losers. Grading is done for the first time at the secondary market level by the Kutchra balers before baling the jute. Such grading is locally known as "janchandari". The kacha balers do grading for others also, provided the jute is baled in their plants. The balers employ expert "janchandars" who grade the jute by sight into different grades according to local trade conventions. A charge of 50 nP per bale is generally levied.

2.18 Agricultural Department in West Bengal has started a pilot scheme since October, 1960 to train the jute growers in grading of jute. Under the scheme five peripatetic parties have been appointed to tour the jute growing areas and hold demonstrations. Each party consists of one grading assessor, one assistant grading assessor and two porters and the party is provided with a van and moisture testing metre. The parties follow the specifications laid down by the Indian Jute Mills Association. The parties have been allocated districts as under :

| <i>Party</i> | <i>Districts</i>                        |
|--------------|---|
| 1.           | 24 Parganas.                            |
| 2.           | Nadia and Murshidabad.                  |
| 3.           | Burdwan, Howrah and Hooghly.            |
| 4.           | Malda & West Dinajpore.                 |
| 5.           | Jalpaiguri, Cooch-Bihar and Darjeeling. |

### **Baling of jute**

2.19 Jute is sold at the village and primary market level in loose form. It is baled usually in the secondary markets before despatch to Calcutta. Jute bales are of two types, namely kutchha bales and pucca bales. Baling done by hand presses or steam presses is known as kutchha baling and baling by presses driven by steam or oil engine is called pucca baling. Pucca bales generally weigh 5 mds. or 400 lbs. each and kutchha bales weigh 4 mds., or 320 lbs., each. Jute meant for export is pucca baled and jute meant for internal consumption in jute mills and sale in terminal markets is kutchha baled. Previously when jute used to be exported it was being pressed into pucca bales. But now as the export of raw jute has been stopped, it is being pressed in kutchha bales only.

2.20 Jute baling plants are generally owned by the arhatdars in secondary markets. The charges for baling vary from 50 nP. to 75 nP per bale. If jute is to be graded, baled, roped and labelled, the charges are generally Rs. 1.25 nP per bale as under :

|                         |     |                       |
|-------------------------|-----|-----------------------|
| Grading                 | ... | 50 nP. per bale       |
| Baling                  | ... | 50 nP. per bale       |
| Roping and<br>labelling | ... | 25 nP. per bale       |
|                         |     | -----                 |
| Total                   |     | Rs. 1.25 nP per bale. |

2.21 A kutchha jute baling plant costs about Rs. 3,000/-. Adding the cost of land and building, it comes to about Rs. 10,000/- A kutchha

baling plant can turn out 200 bales in a working day of 8 hours. Normally, the baling season starts from the month of September and continues till April next.

2.22 There are 56 baling centres in West Bengal. The exact number of baling plants is not known. But on an average there are at least 4 baling plants per each centre and approximately the total number of baling plants is about 234. District-wise distribution of baling centres is as under :

| <i>Name of district.</i> | <i>No. of baling centres</i> |
|--------------------------|------------------------------|
| 1. Howrah                | 2                            |
| 2. Hooghly               | 4                            |
| 3. 24 Parganas           | 8                            |
| 4. Murshidabad           | 7                            |
| 5. Nadia                 | 6                            |
| 6. Darjeeling            | 1                            |
| 7. West Dinajpur         | 4                            |
| 8. Cooch-Bihar           | 5                            |
| 9. Jalpaiguri            | 8                            |
| 10. Malda                | 4                            |
| 11. Midnapur             | 2                            |
| 12. Burdwan              | 5                            |
|                          | 56                           |
| Total                    | 56                           |

### Market practices

2.23 The system of sale in all the markets of West Bengal both primary and secondary, is generally by open bargaining. In villages and hats where the raw jute is sold in unassorted bundles, price is fixed by "buying on estimation" method. In secondary markets unassorted jute is paid after fixation of grade out-turn. The price which is prevalent in the Calcutta market from day-to-day is in respect of bottom grade Assam. The difference of price between different grades of jute is usually as under :

- (i) Between top and middle about Rs. 5/- per md.
- (ii) „ middle and bottom" Rs. 3/- per md.
- (iii) „ bottom and X-bottom" Rs. 5/- per md.

In Calcutta, however, the common practice of fixation of price is by "under cover of cloth" and sometimes by open bidding.

2.24 In the primary market, after sale is effected, price is paid to the grower immediately. In the case of growers who have obtained advances from beparies or farias, the repayment is adjusted against the price of the produce. In the secondary markets, jute is sold generally against cash payment. Due to long standing relations established between farias or beparies with wholesalers or commission agents, deferred payments are not uncommon, and no interest is paid for such deferred payments as the period is generally a short one. The arhatdars or commission agents also provide free storage facilities to these beparies. In the terminal market of Calcutta, at Cossipore, which happens to be a buyers' market, the payment is made by arhatdars or other agencies, immediately after the completion of sale. The up-country sellers, usually the consignors, get 60 to 70% of the market value from the consignees on the basis of railway receipt. As for purchases from kutchha balers by mills or their agents, payment in full is made as per delivery contracts between buyers and sellers.

#### **Market deductions and charges**

2.25 At the village level or primary market level, farias or beparies make no deductions in cash from the growers but make deductions in kind only. It is customary to deduct 2 seers of jute per maund commonly known as "dhalta". This deduction is claimed to be a safeguard against loss in weight due to driage and handling, but the deduction is invariably arbitrary.

2.26 At the secondary market, the various deductions are generally in kind and vary from one seer to 2 seers per maund. In some markets, deductions in cash like "Ishwarbritti or Dharmada" are also made. The rate of such cash deductions is generally very nominal varying from 2 nP. to 9 nP. per maund.

#### **Price of jute and price fluctuations**

2.27 Prices of jute in the up-country markets are mainly governed by those which prevail in terminal markets of Calcutta. The Calcutta prices in turn are determined by number of factors, such as, (i) demand for jute goods abroad, (ii) estimate of available supply, (iii) weather reports and condition of crops, (iv) stocks, (v) other economic factors, (vi) political developments and (vii) govermental measures. It is also found that prices of raw jute and manufactured goods are linked together so closely that fluctuations in one affect the other.

The sowing operations of jute start from the month of March and continue till May. The prices ruling during these months generally

affect the area under crop during the next season. The month-wise prices of raw jute during the years 1959-60 are given in annexure V.

2.28 The prices during the year 1958-59 ruled almost at subsistence level and necessitated protective measures to arrest further decline. But during the year 1959-60 and 1960-61 the prices displayed a gradual upward trend due to (i) increase in the general price level, (ii) short-fall in the Pakistan jute supply and (iii) rise in the prices of finished jute goods and prospective foreign enquiries. The year 1960-61 witnessed a price spurt which was unprecedented in the post-war period.

2.29 Jute is notorious for its wide fluctuations in prices, resulting in uncertainty and risk in marketing operations. The range of jute price fluctuations in selected primary and secondary markets during the year 1959-60 is shown below :

| Centre         | Range of price fluctuation (in %) |                   |
|----------------|-----------------------------------|-------------------|
|                | Villages                          | Secondary Markets |
| 1. Habra       | 51.43                             | 86.09             |
| 2. Samsi       | 48.37                             | 49.98             |
| 3. Chakia      | 59.32                             | 87.02             |
| 4. Jajpur Rd.  | 46.16                             | 72.73             |
| 5. Barpeta Rd. | 52.65                             | 45.83             |

2.30 It would be seen from the above table that the range of price fluctuations in jute is very wide. It varies from 46.16% to 58.32% in the village market and 45.83% to 87.02% in the secondary market. The fluctuation is more significant in a secondary market than in a primary market because the secondary market is more sensitive to price changes in the terminal market. Normally, the price variation in any commodity has direct relation with the changes in its demand and supply position. But in the case of jute this does not always seem to work. Here the price fluctuation is often influenced by speculative activities of the trade. Because of the location of the jute industry, the jute trade is concentrated at one place, i.e., Calcutta where a handful of merchants are capable of manoeuvring the trade to their own advantage.

#### **Jute future's market**

2.31 Future transactions are either undertaken for the purpose of price insurance, which is commonly known as 'hedging' or with the object of pure speculation. Future prices mainly reflect hour to hour

sentiment of speculators many of whom have no material interest in the jute trade. It is unfortunate that these quotations, which are at times divorced from the basic considerations of supply and demand, influence to a great extent the prices of jute in up-country district. This state of affairs, while it may be attributed partly to the practice of forward buying which is a feature of modern trading, appears to be due principally to the fact that the day-to-day volume of business transacted in the future markets at varying prices has become so great that it completely dominates the loose jute markets. Many balers consider that the jute future's market is a distinct menace to legitimate trading as few attempt to use it for 'hedging' operations. Its liability to sudden violent price fluctuation and the subsequent effect which these have on up-country markets, render the normal business of balers difficult and at times almost impossible. Such manipulations by speculators have invited various measures of governmental control. Forward trading in raw jute remained banned from 29-10-1957 to 20-8-1958, and in jute goods from 18-12-1952 to 20-8-1958, in West Bengal under the West Bengal Government's Act, 1952. On the recommendations of Forward Markets Commission, forward trading in raw jute and jute goods has been permitted only within Calcutta City under the auspices of East India Jute and Hessian Exchange Ltd., subject to necessary formalities. The Government of India recognised the said Exchange from 20-8-1958, as the only body eligible to conduct futures trading in these commodities. Since then the East India Jute and Hessian Exchange has taken number of measures to regularise forward trading. Nevertheless speculation in jute is not an uncommon phenomenon.

## CHAPTER III

### NEED FOR CO-OPERATIVE MARKETING OF JUTE IN WEST BENGAL

#### Importance of jute in the economy of West Bengal

3.1 Jute occupies a key place in the economy of West Bengal. West Bengal accounts for about 50% of the total area under cultivation and 47% of the total production of jute in India as will be seen from the following statement :

| <i>State</i>     | <i>Area (in acres)</i> | <i>Production (in bales)</i> |
|------------------|------------------------|------------------------------|
| 1. West Bengal   | 8,24,000               | 21,70,000                    |
| 2. Bihar         | 3,99,000               | 9,57,000                     |
| 3. Assam         | 3,34,000               | 11,14,000                    |
| 4. Orissa        | 75,000                 | 2,12,000                     |
| 5. Uttar Pradesh | 33,000                 | 92,000                       |
| 6. Tripura       | 20,000                 | 60,000                       |
|                  | 16,85,000              | 46,05,000                    |

3.2 In West Bengal, the total cropped area under various crops is about 13 million acres. Of this, about 8 lakh acres are under jute cultivation. In other words, only 6% of total cropped area is under jute cultivation but it accounts for about 29% of total agricultural production as indicated below :

| <i>Commodities</i>   | <i>Production in thousand tons</i> |
|----------------------|------------------------------------|
| 1. Foodgrains        | 4,616.6                            |
| 2. Oil seeds         | 40.0                               |
| 3. Sugarcane         | 1,277.9                            |
| 4. Potatoes          | 652.5                              |
| 5. Tobacco           | 10.3                               |
| 6. Ginger & Chillies | 6.3                                |
| 7. Sunberrys         | 19.7                               |
| 8. Jute              | 2,169.6                            |
| 9. Mesta             | 408.2                              |
|                      | 9,210.1                            |

3.3 The importance of orderly marketing of jute also arises in a significant manner from the fact that jute is a raw material for jute industry, which is one of the most important industries in the country today. The capital investment in jute mills in India has lately been estimated at well over Rs. 26. crores. The industry directly employs about three lakh workers and indirectly a few million as jute growers, traders etc. Unlike cotton textiles, jute industry has been, from its very inception, an export-oriented industry and still maintains that position. Today it occupies an important position in the Indian economy with its production valued at about Rs. 150 crores per year, of which nearly 80% is exported and 20% is consumed internally. During the year 1959-60, jute exports amounted to Rs. 110 crores, a large proportion being to dollar area. This trade constitutes the biggest dollar-earner, amounting to more than 20% of our foreign earnings, so essential for our developing economy. Thus, importance of the industry in the economy of India and of West Bengal in particular cannot be over stated.

#### **Vitiated marketing structure**

3.4 Under the Second Five Year Plan, the target for jute production in 1960-61 was fixed at 55 lakh bales, whereas the production during that year was only 40.8 lakh bales, i.e., 14.2 lakh bales less than the fixed target. The reasons for the shortfall are many. But one of the main reasons is lack of proper and steady incentive for the grower. The jute grower has often suffered heavily due to bad marketing of jute.

#### **Market charges**

3.5 In the previous chapter, we have referred to a large number of deductions and market charges, both in cash and kind which exist in jute trade and which are ultimately borne by the producers. It has been estimated that percentage of such deductions to total sale proceeds amounts to about 3 per cent in many of the secondary markets in West Bengal. Moreover, they are, more or less of an arbitrary character and impose an additional and unnecessary burden on the cultivator. The incidence of such deductions in the terminal markets of Calcutta also approximately amounts to another 3 per cent whose burden is also finally passed on to the cultivator.

#### **Price spread**

3.6 As already indicated in the preceding chapter, there are a large number of intermediaries in the jute trade. This often results in a large price spread which prevents the cultivator from getting his due



share of the final price paid by the mills. It has been estimated that in many markets of West Bengal, the cultivator hardly gets 77% of such price. This is without taking into account the loss suffered by growers on account of the under-estimation of the grade out-turn of their jute and the fraudulent weighing of their produce. The growers generally have no knowledge of grading. Hence, they sell their jute in an unassorted form and are, therefore, at a great disadvantage in the matter of price.

### **Diversity of weights**

3.7 Another malpractice which points to the need for cooperative marketing is connected with diversity of weights in villages and up-country markets which has caused considerable confusion and difficulties in the jute trade. The situation has been further aggravated by manipulation in weighing. The enquiries conducted by the Indian Central Jute Committee reveal that the unit of weight varies from 60 tolas per seer at Balurghat and Hilli to 128 tolas per seer at Kaliganj. The difficulties of the growers are increased by the practice prevalent in some markets of weighing at one standard and making payment at another. Under such a system, it is not easy for producers to check the accuracy of calculations made by buyers. Throughout the jute area, the variation in the units of weight provides a profitable means of exploiting the producer. One of the effective answers to such a malady is a cooperative organisation which will look after the interests of growers.

### **Absence of holding power by jute growers**

3.8 The jute cultivators have generally small and unecouomic holdings. It has been estimated that nearly 36% of the growers produce ten maunds of jute or less each. Under the circumstances, the economic condition and holding power of the jute grower is very weak. The traders and jute mills naturally take advantage of this weakness. Jute starts coming in the market from July and it is in the early months of the season that the purchases by the mills ought to be heavy. But the tendency on the part of mills is generally to go slow in making purchases when the crop comes to the market and the cultivator is keen to sell his produce. This depresses the prices of jute to the detriment of the cultivator's interest and when the cultivator's holding power is exhausted, the mills try to build up large stocks towards the end of the season at a relatively low price. This often enables them to repeat the go-slow purchase policy during the early months of the next season. The figures available go to prove that only about 20% of the total purchase of Indian jute by mills is made during the first three months of the

season (July to September) with the result that prices of raw jute in mofussil centres are almost lowest during these months. It is estimated that about 85% of the total production of raw jute comes into the market by December. As against this, the purchases made by the mills upto December are only about 50% of their total purchases. The Jute Enquiry Committee (1957) took a serious view of such a situation and deprecated the tendency of the mills to keep away from the market at a time which was crucial to the cultivator. The Enquiry Committee, therefore, stressed the need of a strong cooperative agency. The Committee remarked : "The more permanent and long term solution of the problem would, of course, be provided by setting up either a Government organisation or a cooperative marketing organisation which would buy jute from the cultivators at a reasonable price at the harvest season and sell to the mills later at a competitive price. Such an organisation alone will be able to protect the interests of the cultivator effectively."

### **Effects of prices on jute cultivation**

3.9 One of the important factors affecting extent of jute cultivation in a season is the price level in the previous season. Apart from other reasons, this is due to the fact that jute cultivation, to a large extent, is influenced by the ratio of jute price to paddy price as most of the land is capable of being brought under either of these two crops. The prices and acreage of jute and paddy over a number of years show that there is a close correspondence between the raw jute, paddy price ratio and the acreage grown under jute. A disparity between the prices of two commodities shifts several lakhs of acres from one crop to the other. This significantly points to the need for ensuring an adequate return to the grower if the latter is to be induced to cultivate jute on an increasing scale.

### **Price fluctuations**

3.10 Apart from ensuring that jute grower will receive due share of the ultimate price, it is necessary to see that a steady price level will be maintained. This is essential both in the interest of jute mills and jute growers. In practice, however, steadiness of prices is a feature which is notoriously absent in the marketing of jute. In an earlier chapter we have referred to the large fluctuations to which jute prices are liable. There is indication to the effect that, to a considerable extent, such fluctuation is engineered by interested persons to the detriment of the grower. If, over a period of time, marketing cooperatives come to handle a substantial percentage, say about 33%, of the market-

able surplus of jute, the cooperatives can make a valuable contribution to the stabilisation of jute prices.

3.11 In the preceding paragraphs we have touched upon a few of the basic shortcomings in the prevailing structure of the marketing of jute. In some respects these short-comings could only be remedied by suitable action by government authorities as well as the jute mills. For instance, there is apparent need for an effective price policy and buffer stock operations. In conjunction with action in these directions, well-established cooperatives of growers can hold to largely minimise, if not eliminate the various malpractices which at present vitiate jute trade. Cooperative marketing can also contribute towards reducing the price spread between the cultivator and the consumer i.e., the mills; by that way increasing the production of jute and maintaining stable jute prices. This is a task of paramount importance to the economy of the country in general and West Bengal in particular.

## CHAPTER IV

### STRUCTURE AND OPERATIONS OF MARKETING CO-OPERATIVES IN WEST BENGAL

#### Number and types of societies

4.1 As on June 30, 1960, the number of marketing societies in West Bengal was reported to be as follows :

|                                 |   |     |
|---------------------------------|---|-----|
| Small-sized marketing societies | — | 161 |
| Large-sized marketing societies | — | 89  |
| Apex Marketing Society          | — | 1   |

The large-sized marketing societies are actually primary marketing societies organised and assisted under the Second Plan. By the end of the Second Plan, the number of such societies had risen to 116. The small-sized marketing societies were generally organised prior to the Second Plan and have not received any assistance from the funds provided by the National Co-operative Development and Warehousing Board. However, they have been assisted by way of loans ranging from Rs. 3,000 to Rs. 5,000 per society out of the N.E.S. budget.

#### Location and area of operation of primary marketing societies

4.2 The small-sized marketing societies have been generally set up in primary markets or hats where weekly or bi-weekly bazars are held. As regards large-sized marketing societies set up under the Second Plan, recently efforts have been made to locate them at secondary markets. However, quite a number of these societies organised in the early part of the Second Plan period have been set up at places other than secondary markets. As regards the area of operation of these societies, the approach has been to make it co-terminus with jurisdiction of the police stations in which these societies are located.

#### Membership of primary marketing societies

4.3 The membership of primary marketing societies (i.e. large-sized marketing societies) consists of three types, namely, 'A' class members which are co-operative institutions, 'B' class members consisting of individual cultivators and 'C' class consisting of commission agents and traders. In the bye-laws relating to managing committees of marketing societies, five seats have been reserved for representatives of village societies. In actual practice, very little efforts appear to have

been made in regard to admitting village credit societies as members of primary marketing societies. Generally speaking, not even 10% of the village societies within the area of operation of marketing societies have been affiliated to the latter.

#### Coverage of jute growing districts

4.4 In West Bengal, the approach has been not to organise marketing societies separately for dealing in jute. It was contemplated that various marketing societies organised on a territorial basis should also handle jute. In actual practice, however, very few of the marketing societies have undertaken jute marketing. Out of a total of 116 large-sized marketing societies, only about 14 marketing societies are reported to be dealing in jute. In addition, one co-operative store in district Hoogly is also handling jute. In the five predominantly jute growing districts of Nadia, Murshidabad, Cooch-Bihar, Malda and 24 Parganas, while there are about 37 marketing societies in existence, only about 9 societies are reported to be dealing in jute. In other words, in areas where jute is the principal crop only about one-fourth of the marketing societies have attempted jute marketing.

4.5 As indicated by us in one of the earlier chapters, in West Bengal, there are 32 important jute markets where annual arrivals of jute exceed 1 lakh maunds. It has not been possible for us to ascertain precisely how many of these markets are covered by marketing societies. However, it appears to us that a large majority of these markets are still without any marketing societies. It is so because most of the marketing societies have been located at places which are not secondary markets.

#### Co-operative jute marketing operations

4.6 Earlier we have indicated how only a small percentage of marketing societies are actually undertaking jute marketing. The turnover of these marketing societies in regard to jute is almost insignificant. The quantity of jute handled in the entire State of West Bengal by the marketing societies during the quarter ending June, 1960 is indicated below :

|                  | <i>Members</i> | <i>Non-members</i> | <i>Total</i> |
|------------------|----------------|--------------------|--------------|
| (i) As agents —  | 10,412         | 23,124             | 33,536       |
| (ii) As owners — | 300            | 1,133              | 1,433        |
|                  | <hr/>          | <hr/>              | <hr/>        |
|                  | 10,712         | 24,257             | 34,969       |
|                  | <hr/>          | <hr/>              | <hr/>        |

4.7 During the year 1960-61, the total production of jute in the State of West Bengal was estimated at 99.33 lakh maunds of which about 93 lakh maunds may be deemed to be marketable surplus. This means that the share of marketing societies in the disposal of jute was only about 0.38%. It is also significant that bulk of the very limited business done by the co-operatives was with non-members. In one of the marketing societies visited by us, some of the facilities provided by the society were actually being availed of by local traders.

4.8 In the co-operative year ending June, 1961, the amount of business done by the marketing societies in regard to pledge finance was also extremely small. The total quantity of jute received by the marketing societies against pledge was 2,311 maunds and the total amount of pledge finance was Rs. 34,235. There are many reasons for small volume of pledge business. The principal reason, of course, relates to the fluctuation of jute prices and hence, it is not always to the advantage of the grower to hold back stocks and obtain pledge loans. Another handicap in some cases is the lack of adequate liquid funds with the societies. Another reason appears to be that pledge business generally carries heavy charges to be borne by the growers. The general practice seems to be to charge at a rate varying from 5½% to 7%. Besides, there are godown charges usually at the rate of 19 nP. per maund per month. In some places, in addition, there are insurance charges at the rate of 12 nP. per maund per month.

4.9 As the marketing societies had been handling rather small quantities of jute, they have often not been able to utilise the limits sanctioned to them by the State Bank of India. Quite often not more than ⅓rd. of the sanctioned limits have actually been availed of.

#### Storage

4.10 All the 14 marketing societies at present dealing in jute have godowns, either hired or their own. Most of the societies have constructed their own godowns with the government financial assistance. The storage capacity available with these societies is given below :

|            | <i>No. of godowns</i> | <i>Capacity (in mds.)</i> |
|------------|-----------------------|---------------------------|
| (i) Owned  | 17                    | 92,500                    |
| (ii) Hired | 7                     | 18,000                    |
| Total...   | <u>24</u>             | <u>1,10,500</u>           |

Looking to their present storage requirements, the capacity available with them is considered by them to be adequate.

**Role of apex marketing society**

4.11 In West Bengal, the membership of the apex marketing society is as follows :

|                             |     |    |
|-----------------------------|-----|----|
| Marketing societies         | ... | 51 |
| Other cooperative societies | ... | 26 |
| Individuals                 | ... | 10 |

The apex society has made a limited beginning in the direction of contacting a few jute mills and persuading them to have direct dealings with the co-operatives. In one case, through the good offices of the apex marketing society, a large-sized marketing society in district Hooghly has been brought into direct liaison with the buying agent of one of the jute mills. The apex society has also been making efforts to secure membership of the Hessian Exchange to be able to have dealings with other jute mills. In 1958-59 when the State Trading Corporation undertook purchases of raw jute as a price support policy, the apex marketing society of West Bengal procured jute through its affiliated marketing societies in the district of Malda, Cooch Behar etc., and supplied nearly 10,000 maunds of jute to the State Trading Corporation during that period. During 1960-61, the apex marketing society entered into contract with one of the jute mills in Calcutta and supplied 24,000 maunds of jute.

## CHAPTER V

### RECENT DEVELOPMENTS

#### **Committees on jute marketing**

5.1 The problems relating to production and marketing of jute have been attracting attention of government, both in the States and at the Centre, for the last several decades. From time to time, a number of committees have been appointed to look into the matter and made recommendations. The last Jute Enquiry Committee was appointed in 1957.

#### **Conference on cooperative jute marketing**

5.2 In 1959, a conference on cooperative marketing, ware-housing and processing of jute was convened by the Ministry of Community Development and Cooperation. This conference was held at Calcutta on January 12, 1959. The conference made a number of recommendations about co-operative marketing and warehousing facilities. The conference also stressed the need for ensuring adequate price to the jute cultivators. The conference welcomed the decision taken at that time by the State Trading Corporation to enter the market and purchase jute from growers' cooperatives.

5.3 Another meeting on the allied subject of finance for jute marketing for co-operative societies was convened by the State Bank of India. This conference was also held at Calcutta in 1959. Representatives of apex organisations from jute growing States attended the meeting. *Inter alia*, this conference stressed the need for the State Trading Corporation to enter the jute marketing in 1959-60 season. The conference also reiterated the demand for a guaranteed fair price for jute.

#### **Jute Control Order**

5.4 In March, 1961, the Ministry of Commerce and Industry promulgated jute licensing and control order, 1961. This Order was issued under Section 3 of the Essential Commodities Act, 1955. The Order empowered the Jute Commissioner to notify that no person shall carry on business in raw jute or jute textiles involving the purchase, sale or storage for sale of raw jute or jute textiles, except under and in accordance with the terms and conditions of a licence issued under the Order. The Jute Commissioner was also empowered to fix the maximum or the minimum prices or both at which raw jute or jute textiles may be purchased or sold.



### **Resolution of West Bengal legislature**

5.5 In the beginning of 1961-62 season, the prices of raw jute showed a steep decline and this led to considerable discussion relating to proper arrangements for marketing of jute. On September 8, 1961, the West Bengal legislature considered the matter at length and finally adopted a resolution suggesting the following five steps :

- (i) Government should fix a minimum price for raw jute each year and declare the same before the new crop comes to the market;
- (ii) Steps should be taken to buy raw jute through an independent agency to weaken the grip of monopolists and speculators and ensure a fair price for farmers ;
- (iii) It should be made compulsory for the mills to set up a buffer stock under the supervision of the Jute Commissioner so that production might go on unhampered;
- (iv) Intensive research work be started to produce jute goods for consumption within the country, so that the dependence of the industry and trade on foreign markets is eliminated; and
- (v) adequate loans be distributed through cooperative societies to farmers to strengthen their hands against private money-lenders.

### **Buffer Stock Agency**

5.6 Recently, a decision has been taken by the Government of India to sponsor a Buffer Stock Agency for jute. One of the objects of the Agency will be to undertake purchase and storage of jute for price-support purposes. The Agency will be an association of all the jute mills in India and the Government of India will exercise general supervision and control over its operations. The Jute Buffer Stock Association will utilise its member mills as its primary purchasing and storing agents. Finance for buffer stock purchases will be supplied by the banking systems, except to the extent of the bank margin against jute which will be found by the member mills as their contribution to the Association. Purchases will be made on behalf of the Association. The contracts will be filed with the Association which will be the owner of the buffer stocks and which will determine their eventual disposal. The level of jute prices which the Buffer Stock Agency will be expected to support

through its purchases in any season will be determined by the Government of India after bearing in mind the need to maintain and expand the jute goods exports as well as the need to ensure a reasonable return to the jute grower. This is mainly the outline of the proposed scheme of Buffer Stock Agency. It is understood to be the intention of the Government of India that there shall be arrangement between Buffer Stock Agency and co-operative marketing organisations.

## **CHAPTER VI**

### **RECOMMENDATIONS**

#### **Scope of recommendations**

6.1 As already indicated, marketing of jute presents a large number of complex problems. Although to a certain extent, any attempt at cooperative marketing of jute is likely to encounter most of these problems, we have not considered it within our purview to examine all of them or to suggest ways and means for tackling such problems. For instance, the question of price policy of jute is of vital importance for orderly marketing of jute in general and cooperative marketing in particular. The Third Five Year Plan has already, in principle, accepted the need for a floor price in respect of various important commodities. A certain amount of preliminary thinking is at present being done in regard to the determination of floor price for jute and establishment of a Buffer Stock Agency. In the preceding chapter, we have briefly referred to the lines along which the proposed Buffer Stock Agency is intended to come into being and operate in the field of jute marketing. It is not within our terms of reference to examine in detail the question of price policy for jute. We, therefore, do not propose to make any specific recommendations. We would, however, generally stress that a proper price policy is of paramount importance for creating a situation which is conducive to the growth of cooperative marketing. Hence we would urge that necessary decisions in regard to price policy should be taken and announced at a very early date.

6.2 Development of cooperative marketing, to a considerable extent, is tied up with development of cooperation in other fields, particularly cooperative credit. As pointed out by the Committee on Cooperative Credit, one of the factors that stand in the way of a member of a cooperative credit society taking his produce to the marketing society is the inadequate supply of credit to the farmer. As a result, the cultivator looks to a trader or a merchant and obtains accommodation from him against promise of selling his produce to him. These observations of the Committee on Cooperative Credit are particularly applicable to jute. In one of the preceding chapters, we have referred to the 'dadan' system, under which a jute grower generally obtains funds from a trader and is committed to him for the sale of jute crop. Cooperative marketing and credit are thus involved in a kind of vicious circle, which has to be broken effectively by strengthening the cooperative credit structure

and provision of adequate credit. At present, the cooperative credit structure in West Bengal is extremely weak for various reasons. In a number of districts, which are predominantly jute growing areas, the central cooperative banks and the primary credit societies are having very small operations. To illustrate our point, we may mention that, in Murshidabad, which is the biggest jute growing district, the total loans advanced by credit societies was only about Rs. 1.5 lakhs in the cooperative year ending June, 1961. In other jute growing districts, cooperative credit is somewhat better developed, but, on the whole, it is no way near the requirements of the situation. Hence it is not surprising that more than 50% of the jute is disposed by the growers under the 'dadan' system. In these circumstances, development of co-operative marketing will continue to be largely inhibited until a strong cooperative credit structure is built up. A programme of strengthening and revitalising the cooperative credit structure has been in hand and recently certain measures have been formulated by the Cooperative Department of West Bengal in pursuance of the recommendations made by the Conference of Eastern States held at Calcutta in May, 1961. We have no doubt that the development of the cooperative credit structure will prove conducive to the development of cooperative marketing of jute. It is, however, not within our terms of reference to examine the detailed problems of cooperative credit and hence we refrain from making any specific recommendations.

6.3 Another question which is of general importance for the growth of co-operative marketing relates to regulation of markets under a statute. West Bengal has not so far legislated on the subject of regulation of markets. However, a bill is at present under consideration of the State Government. As soon as the bill is placed on the statute book, we would urge that its provision should be invoked so as to regulate, on a priority basis, those markets which are important from the point of view of jute.

6.4 At present, West Bengal has nearly 420 (122 'A' class and 298 'B' class) secondary markets. However, as far as jute growers are concerned, secondary markets at present are of no particular significance, because jute is disposed of by the growers either in the villages or in the primary markets. The latter markets number nearly 2,200 and the general marketing conditions obtaining in these primary markets or hats are extremely prejudicial to the interest of the grower. Thus the regulation of markets should increasingly help to elevate the position of secondary markets and thereby enable marketing societies with headquarters at such places to function in effective liaison with the primary growers.

We would also suggest that, as and when market committees are set up in various secondary markets by invoking the proposed legislation, the local marketing societies should be given adequate representation on such committees.

6.5 Besides price policy, regulation of markets and provision of adequate cooperative credit, there are several other matters which have a bearing on an orderly marketing of jute. We have, however, not gone into these matters. The recommendations that we are making in this chapter are primarily confined to such matters as have a direct bearing on the development and working of cooperatives in relation to jute marketing. In other words, our intention has been to briefly indicate a programme of action for the next two or three years rather than undertake a comprehensive study of various problems of jute marketing. Hence our recommendations should be considered subject to this overall limitation.

#### **Pilot projects**

6.6 As already indicated, experience of West Bengal in regard to cooperative marketing of jute has so far been extremely inadequate. In the cooperative year ending June, 1961, cooperatives in West Bengal handled only about 0.38% of marketable surplus of jute. This is apparently a performance on the basis of which it is difficult to find a clue to a programme of action for the future. A somewhat better performance in regard to cooperative marketing of jute has been witnessed at Danapur in Orissa and Lakhimpur Kheri in Uttar Pradesh. While the turnover of the societies of these two places is substantially larger than the corresponding figure for West Bengal, the experience gained can hardly be considered as firmly indicative of the future line of action. Thus we are constrained to conclude that co-operative marketing of jute, as carried out so far, furnishes practically no clue to the manner in which this task should be attempted in future.

6.7 Another very significant difficulty in formulating a programme of action for cooperative marketing of jute lies in the fact that the experience of cooperative marketing in respect of other commodities cannot be effectively drawn upon in relation to marketing of jute. In several other commodities, particularly food-grains, there are a large number of commission agents who operate in the secondary markets and sell on behalf of growers. In jute, however, sales on outright basis are a common feature right from the village upwards. Furthermore, in the context of violent price fluctuations, jute proves to be a difficult commodity for cooperative trade on conventional lines. In fact, it was

in recognition of these and allied factors that, a few years ago, cooperative marketing societies in West Bengal were directed by the state authorities to specifically exclude jute from their purview.

6.8 For the considerations mentioned above, we find it difficult to prescribe in a categorical manner any set of recommendations for immediate State-wide implementation. We think that there is need for more experience being gained before it is possible to arrive at firm conclusions in regard to the manner in which cooperative marketing of jute can develop. Hence we would suggest that this experience should be gained on the basis of a few pilot projects. These pilot projects may be located in areas where cooperative credit is relatively better developed or has a certain potentiality of development in the near future. The selection may be made by the State Government after taking various factors into consideration. However, provisionally, we would suggest inclusion of the following areas in the pilot projects :

| <i>District</i> | <i>Areas</i>                                       |
|-----------------|--|
| 1. 24 Parganas  | (i) Bongaon sub-division<br>(ii) Duma union        |
| 2. Hoogly       | (iii) Polba-mogra sub-division<br>(iv) Sheorphulli |
| 3. Nadia        | (v) Madanpur                                       |
| 4. Murshidabad  | (vi) Jangipur<br>(vii) Kandi                       |
| 5. Burdwan      | (viii) Katwa Sub-division                          |

6.9 It would be advantageous if the areas selected comprise at least 10 secondary markets and about 70 to 100 primary markets or hats. Considering that there are 32 important secondary markets from the point of view of jute, pilot areas should cover about one-third of such markets. Thus the experience gained in these pilot areas would be on an adequate scale and it would be possible to build upon such experience.

6.10 While efforts may continue to develop cooperative marketing societies throughout West Bengal, we would suggest concentrated action to promote and develop cooperative marketing in the various pilot areas, i.e. the area of about 10 co-operative marketing societies. The various suggestions made by us in the subsequent paragraphs may be implemented in an integrated manner in all these pilot areas and, after two or three years, experience gained should be reviewed so as to

formulate a plan of action for the entire State. In fact, the experience should be valuable even for the other jute growing States of the eastern region.

6.11 At present, in West Bengal, there are no separate co-operative societies exclusively for marketing of jute. The marketing societies have been organised essentially on a territorial basis with a view to handling various commodities such as jute, paddy, oil seeds. Considering that jute growers are also cultivating other crops and in the context of the requirements of adequate business turnover with a view to achieving economic viability, we are of the opinion that, at the present stage of development, it would not be desirable to organise separate jute marketing societies. The marketing of jute would necessarily be a major function of the marketing societies organised in jute growing areas, but these societies should simultaneously aim at handling other commodities, particularly paddy. We are aware of the fact that the jute traders generally confine their activities to the jute business. There is also no doubt that marketing of jute involves a large measure of specialised information and knowledge of business techniques. Hence in due course, when cooperatives start handling sizeable volume of jute business, it might become necessary to consider organisation of cooperative marketing societies more or less exclusively for jute. At the present stage of development, however, such action is generally not warranted.

6.12 As indicated in Chapter IV, the pattern of organisation of marketing societies in West Bengal is, in some respects, unusual. There are two types of marketing societies, namely, small-sized marketing societies and large-sized marketing societies. The small-sized marketing societies have been organised generally in primary markets or hats, while large-sized marketing societies have been organised either in primary markets or in secondary markets. The latter type of societies have been set up under the Second Five Year Plan, and have received assistance in various forms such as share capital contribution, subsidy for management expenses and assistance for construction of godowns. The small-sized marketing societies have received assistance mainly by way of loans for godowns from the block budget.

6.13 We are of the opinion that the headquarters of a marketing society should be located essentially in a secondary market. The society should establish its godown and the necessary jute baling plants in this market. The society should encourage the growers to bring their jute directly to the headquarters of the society and should be prepared to handle the jute thus received even though it is in small quantities. It

would, however, not be enough for the jute marketing society to function only in the secondary market, because at present very few jute growers have any direct dealings with the traders in the secondary market. The secondary markets are essentially places involving kutchha baling of jute and points of despatch of jute to the terminal markets in Calcutta. Hence it would be necessary for the cooperative institutions to have an institutional link up at the primary markets or weekly or bi-weekly hats. Ordinarily, one secondary market is served by 5 to 10 hats or primary markets. We would suggest that these hats should be effectively covered by strong well-organised village service cooperatives. The programme of assisting construction of rural godowns should be so regulated as to ensure that all places where weekly and bi-weekly hats or primary markets are held, are covered by cooperative rural godowns. Similarly, the programme of government participation in share capital and management subsidy should concentrate on building up village service cooperatives at places where the hats or primary markets are located.

6.14 As already indicated, most of the existing marketing societies in West Bengal show a number of structural deficiencies and a considerable measure of effort would be necessary to reorganise them. Wherever secondary markets are without marketing societies, we would suggest establishment of new societies in such markets. The programme of organisation of new marketing societies included in the Third Plan should be implemented in such a manner that all the secondary markets selected for the pilot projects suggested by us are covered by marketing societies in the shortest possible period. Similarly, all the primary markets or hats feeding such secondary markets should be covered by strong village societies equipped with rural godowns. Furthermore, some of the existing marketing societies which have been located at places other than secondary markets would have to be reorganised. At present, the area of operation of some of these societies have been determined in terms of jurisdiction of the local police station. In such cases, the area of operation of the marketing society should be realigned so as to include only such villages whose produce normally tends to eventually flow into the relevant secondary market in which the marketing society is located.

6.15 In regard to the membership of marketing societies, we would like to point out that, in some cases jute traders appear to have obtained admission into the societies. At one or two places visited by the Team, the facilities of pledge finance offered by marketing societies were being substantially availed of by the jute traders. Hence we would suggest that adequate supervision and vigilance should be



exercised in ensuring that traders do not come within the fold of cooperative marketing societies except as nominal members.

6.16 Membership of primary marketing societies in West Bengal consists of three types, namely 'A' class members, i.e., cooperative institutions, 'B' class consisting of individual cultivators and 'C' class consisting of commission agents and traders. In actual practice, very little effort appears to have been made in regard to admitting village credit societies as members of primary marketing societies. Considering that marketing societies, located in the secondary markets, but with no effective link with village credit societies located in hats or primary markets would not be effective in regard to jute trade, the need for linking village credit societies functionally to the marketing societies is even greater in West Bengal than in many other parts of the country. This need has been given recognition by the State Cooperative Department while framing the model bye-laws of marketing societies. The model bye-laws provide for 5 seats being reserved for representatives of village societies. It is necessary that, in consonance with this approach, steps should be taken to ensure that, over a limited period of time, all primary credit societies situated within the area of operation of a primary marketing society are affiliated to the latter. We would urge action to this effect particularly in regard to marketing societies located within the proposed pilot areas.

6.17 Besides enrolment of village credit societies as members, primary marketing societies in West Bengal need to broad-base their membership in regard to individual cultivators. The membership of such cultivators is at present rather small. In fact, whatever limited marketing operations have been carried out by cooperatives in regard to jute, nearly 80% have been with non-members. Hence measures should be taken to enrol as many individual growers as possible, thereby enabling the societies to have effective liaison with jute growers. This is particularly necessary in regard to the relatively medium and big growers who would be helpful in giving an initial start to the operations of the societies.

6.18 In the preceding paragraphs, we have broadly dealt with the institutional framework required at the level of the hat or the primary market and also the secondary market. Since the consumption of jute essentially takes place in the terminal markets at Calcutta, there is an evident need for a suitable cooperative organisation to facilitate the ultimate disposal of jute handled by the cooperative at the primary or secondary market level. In the earlier chapter, we have briefly referred

to a limited beginning made by the West Bengal Apex Cooperative Agricultural Marketing Society Ltd., by establishing contacts with a jute mill. The Apex Society has also sought the membership of East India Jute and Hessian Exchange Ltd.

6.19 While the Apex Cooperative Agricultural Marketing Society of West Bengal can, to a certain extent, help in the disposal of jute handled by the cooperatives in West Bengal in the terminal markets at Calcutta, the need for an inter-state organisation for various jute growing states was discussed in a Conference of eastern states held at Ranchi in September, 1961. The Conference suggested that the National Agricultural Cooperative Marketing Federation should set up a zonal office at Calcutta and should be able to play this part. We understand that the National Federation is initiating steps to this effect. We suggest that the Apex Society of West Bengal and the National Marketing Federation, in close collaboration with each other, should work out an effective arrangement and create the necessary set up at Calcutta so as to facilitate the working of marketing societies handling jute, not only in West Bengal but also in the other jute growing States.

#### **Operational practices**

6.20 In the preceding paragraphs, we have briefly outlined the institutional set up that should be created at various levels, namely, the village, primary market or the hat, secondary market and the terminal market. How should the institution at various levels function and what business practices should be adopted by them? This question poses an extremely difficult problem and prima-facie there is no easy or short-cut solution to it. The traditional approach has been that cooperative marketing societies should not undertake any risk and should try to function as agents of members for disposal of their produce. In other words, marketing societies or their affiliated village societies should collect the produce and, wherever necessary, offer pledge finance and then arrange for the disposal of the produce on behalf of the members. In respect of several agricultural commodities such as food-grains, private traders also operate to a considerable extent on a commission agency basis. Hence, in these circumstances, it is easy for the cooperatives to fall in line and adopt almost similar operational practices. In jute, however, the practice of private trade at all levels is to make outright purchase. This is perhaps the result of a combination of several factors such as small quantity of jute marketed by a village grower, wide fluctuation in prices, variety of grades and distance between the primary markets and the terminal markets. In these circumstances, it appears to us that cooperative institutions entering jute trade would have to

take a realistic account of the prevailing situation and mould their operational practices accordingly.

6.21 As an ideal business practice, we would refer to the system that obtains in the marketing of cotton by cooperatives, particularly, in Gujarat. The cooperatives collect cotton from members, grade it, thereafter pool the produce, gin it, press it and, finally, dispose it off in the best possible markets over a certain period of time. The members are paid the average pool price on the basis of the quantity and the grade of cotton supplied by them. Adoption of a similar business practice would be of an advantage to cooperatives handling jute trade in several ways. In the first place, it would ensure that the grower would be paid on the basis of the quality of the produce offered by him. At present, as indicated in Chapter II, the grower sells unassorted jute to the village merchant or the faria and very often the price determination is prejudicial to the interest of the growers. Hence, if cooperatives obtain jute from the members and, as far as possible, grade it in his presence, it would involve a distinct improvement from the point of view of the grower. Secondly, sale of jute, after it has been graded and baled, would be easier as far as the terminal markets or mills are concerned. Thirdly, the above arrangements would not impose any undue risk of price fluctuation on the cooperatives. Hence, from various angles, it seems desirable that the cooperative should eventually adopt the business practices generally followed by cotton cooperatives of Gujarat.

6.22 It is, however, obvious that the business practices followed by the cotton cooperatives in Gujarat cannot be adopted in West Bengal with immediate effect. In the first place, it would not be easy to make arrangements for grading of produce in various primary markets. Grading and baling of jute is possible only in the secondary markets with which the village grower, at present, has practically no contact. It may gradually be possible to induce the grower to take his produce directly to the secondary market, but this will naturally take some time. In the second place, the jute grower has been accustomed, over generations, to sell his jute on the spot against full cash payment. It would be futile to expect that he can be weaned away from this traditional practice over a short period of time. Hence adoption of the ideal business practices mentioned by us in the preceding paragraphs should be treated as long-term objective towards which cooperative marketing societies in West Bengal should gradually but persistently try to work.

6.23 In the present situation, it would be necessary for marketing

cooperatives to function on the basis of outright purchases. Since jute trade is subject to large fluctuations of prices, it would be necessary to take all possible steps to ensure that outright purchases are not accompanied by any undue risks. In some cases, cooperatives may be able to get themselves appointed as buying agents of the mills. Such arrangements will give the cooperatives a certain breathing time for gaining experience. But it is very unlikely that the cooperatives would be able to receive such agency assignments in any large numbers from the jute mills which already have a net-work of their own buying agents or brokers.

6.24 Another alternative for the cooperative marketing societies would be to make outright purchases against firm orders procured from the mills. It is the practice of the mills to enter into firm contracts on a certain agreed price for jute to be delivered after a specified interval. The National Federation or the Apex Society of West Bengal, after taking into account the prevailing market prices and other operational expenses including storage and interest charges, may be able to obtain firm orders against which purchase can be effected. Even such an arrangement is not without risk as the price may sometime go up. But purchases made against a firm order already obtained carry a certain amount of safeguard.

6.25 Operational practices referred to by us in the preceding paragraph imply that the cooperatives would make purchases in the primary or secondary markets only if the price derived from the contract is equal to or lower than the price obtaining in the mofussil markets. In other words, in the above system, cooperatives may not, in some cases, be able to operate continuously. Hence it would be necessary to simultaneously adopt the system of making outright purchases accompanied by sales immediately after grading and baling. The risk involved in such transactions should ordinarily be very small. With a proper market intelligence provided by the Apex Marketing Society or the National Marketing Federation, it should be possible for the cooperative to operate without undertaking undue risks. In some cases, on the basis of the stocks purchased, it should be possible for the Apex Society/National Federation to arrange for forward sale of these stocks.

6.26 The above operational practices indicated by us should be regarded essentially as transitional measures and simultaneously cooperatives should keep on attempting education of their members in regard to ideal business practices of pledge finance, grading and pooling

of produce and sale of produce on commission basis and final payment to the members in terms of grade and quality. With increasing contact between the grower and the cooperative, it should be gradually possible to inspire the grower to have requisite confidence in his cooperative so that he parts with his produce not on an outright sale basis, but for sale in the terminal market on a pooled basis.

6.27 Earlier we have referred to certain developments relating to the proposal for a Buffer Stock Agency. One of the objects of the Buffer Stock Agency is to operate with a view to maintain a floor price for jute. We suggest that the proposed Buffer Stock Agency should operate through cooperatives so that, to the extent practicable, jute growers and the jute mills are brought into direct contact and various middlemen who considerably add to the marketing cost, are substantially reduced, if not completely eliminated.

6.28 Apart from the various business safeguards suggested by us, we would also propose the following financial safeguards so as to ensure that outright purchases of jute are conducted with necessary prudence and care :

- (a) Investment in outright purchases of jute of a primary marketing society should not, normally, at any time, exceed its owned capital, except when it makes purchases as an agent of Apex Marketing Society or National Federation.
- (b) The profit and loss involved in a series of transactions over a period of one week should be estimated and reviewed to determine whether the purchases should continue. In other words, outright purchase should be subject to a careful assessment every week by the cooperative society by watching price trends so as to ensure that it does not continue to incur losses.

One of our members has stressed that it would be useful to indicate specific limit beyond which if a society incurs losses, it should cease to make outright purchases and may resume such outright purchases only after its earlier losses are wiped out. The remaining members of the Team did not agree with the suggestion. It was felt that, in the first place, it would not be possible to indicate limit in advance. In the second place it was felt that indication of such limit might give an impression to the society that it would be

in order for it to incur losses up to that limit. Majority of members, therefore, felt that the suggestion already made above will meet the requirement.

- (c) Outright purchases should be strictly restricted to the members' produce except when the members' produce is not sufficient to fulfil a firm contract.

### **Financial arrangements**

6.29 One of the essential pre-requisites for cooperative marketing of jute is availability of adequate funds with cooperatives at various levels. These funds can be derived from three sources, namely (i) share capital and other reserves, (ii) deposits, and (iii) marketing loans either by way of clean accommodation or loans against pledge or hypothecation.

6.30 In regard to owned capital, we observed that the average marketing society in West Bengal has a share capital of Rs. 15,000. Half of it has been raised from the members. There is apparently need for the enlargement of the share capital of the society. For this purpose we would suggest a two-fold action. In the first place, the society should aim at enlarging its membership, both in respect of individual cultivators and village credit societies. The enlargement of membership, besides being useful in business operations, should help in augmenting share capital. In the second place, contribution of Government to the share capital of primary marketing societies need not be on strictly matching basis. In fact the National Cooperative Development and Warehousing Board, while considering this matter, suggested that, in the context of the underdeveloped character of the cooperative movement in West Bengal, the proportion of Government share capital to members' share capital may be 3 : 1. In view of this fact, the State Government may consider contributing to the share capital of the societies in the pilot areas on an increased scale. Effort should be made to ensure that each primary marketing society has a total share capital of about Rs. 40,000.

6.31 We observed that financially the Apex Agricultural Marketing Society of West Bengal is one of the weakest of the apex societies in the country. The total share capital of the society is at present, of Rs. 1.21 lakhs, out of which Rs. 81,000 has been contributed by the State Government. We understand that Government share capital to members' share capital is fixed in the ratio of 2 : 1. We consider that any such proportion is not warranted in the case of an apex organisation

whose capacity to raise share capital from members is necessarily limited, as it has to draw share capital only from the affiliated primary marketing societies. Hence we would suggest that, in the initial stages, Government should come forward and contribute a larger quantum of share capital. In any case, the share capital of the apex marketing society should not be below Rs. 5 lakhs. Furthermore, we suggest that the apex marketing society of West Bengal, which at present has only 51 marketing societies on its rolls, should broad-base its membership and try to enlist the remaining 65 marketing societies as its members. This would also add to the financial strength of the society. The Apex Society in West Bengal needs assistance in regard to the management expenses. In particular, it will have to build up a section for jute marketing. We suggest a provision of managerial subsidy of Rs. 20,000 on a tapering scale.

6.32 In the course of our tour, we came across a few instances where cooperative marketing societies had been able to attract deposits of an appreciable order. For instance, the cooperative marketing society at Balia had raised deposits amounting to about Rs. 1.86 lakhs. Similarly, the marketing society at Bongaon had been able to attract deposits totalling Rs. 55,000. Even though attraction of deposits forms the primary function of cooperative credit institutions, we are of the view that taking into account the fact that considerable revolving funds are needed for jute marketing and considering also the fact that raising of funds from the State Bank of India or other banking sources presents a number of procedural difficulties, it may be worthwhile for cooperative marketing societies in the pilot project areas to mobilise deposits to the extent possible. These deposits, however, should be used for current business and, under no circumstances, they should be locked up in fixed assets.

6.33 In regard to provision of clean cash credit accommodation, the State Bank of India, as a general policy, has agreed to sanction clean cash accommodation to marketing societies against the personal guarantee of two directors. This facility has not been availed of by any of the marketing societies in West Bengal, nor is it likely that they would be able to do so in future for obvious reasons. The State Bank of India also considers proposals for sanctioning clean accommodation to marketing societies against the guarantee of central cooperative banks. It is, however, unlikely that marketing societies in West Bengal would be able to draw assistance from the State Bank of India against guarantee of central cooperative banks, because most of the central cooperative banks are financially weak and their guarantee is not likely to be accept-

able to the State Bank. In these circumstances, the only alternative for obtaining clean accommodation from the State Bank seems to be by way of Government guarantee. As a general policy, the State Bank of India is willing to sanction cash accommodation equal to owned capital of a marketing society, subject to Government guarantee. We consider that it would be an advantage if the State Bank agrees to sanction clean accommodation to various marketing societies on a consolidated basis against one single guarantee of the State Government. This would facilitate completion of various formalities at an early date so that it would be possible for the societies to draw upon such clean cash credit accommodation. In this connection, we would particularly urge that clean cash credit accommodation should, on this basis, be made available to the primary marketing societies to be located in the pilot areas.

6.34 As regards pledge finance, we understand that at present the State Bank of India's policy is to advance up to 60% of the value of jute after keeping back a margin of 40%. We further understand that, in actual practice, the value of jute is estimated not at the current market price, but at a somewhat lower price. In some cases, the reduction is as much as Rs. 2 per maund. In other words, in actual practice, the State Bank of India is often keeping a margin of almost 50%. We recognise that provision of pledge finance in regard to jute which is unassorted and which is subject to considerable fluctuations, is accompanied by a number of risks. At the same time, we consider that ordinarily it should be adequate for the State Bank of India to keep a margin of 40% against the value of jute estimated at the prevailing market rates.

6.35 In the Conference of Eastern States on Cooperative Marketing and Processing held at Ranchi in September, 1961, it was suggested that the State Bank should consider relaxing the margin provided the difference is guaranteed by the State Government. The State Bank has yet to consider this suggestion, but *prima facie*, if clean cash credit accommodation is made available to a marketing society, it may not be ordinarily necessary for it to obtain pledge finance exceeding 60% of the value of jute estimated at current price. At the same time, we recognise that in some cases marketing societies would like to provide members pledge finance at a rate somewhat higher than 60% of the estimated value. For this purpose the societies will have to raise finance in other forms such as share capital or deposits.

6.36 Earlier we have referred to certain proposals relating to price policy in respect of jute. When such a floor price is determined and a buffer stock agency is there to operate with a view to maintain



the floor price, we would strongly urge the State Bank to consider lowering the margin particularly to the extent the floor price reduces the risk involved.

6.37 In regard to pledge finance, at present, the State Bank has sanctioned limits to 30 marketing societies in West Bengal and the total limit sanctioned to them is Rs. 21.72 lakhs. One of the difficulties in the way of a larger number of societies utilising this assistance relates to the *modus operandi* in respect of pledge finance. At a number of places, certain difficulties were mentioned to us in regard to the delay in release of goods from godowns situated at some distance from the branch office of the State Bank of India. A certain amount of delay is inherent in the situation, but we would suggest that the State Bank may consider modifying the arrangements to the extent possible so as to expedite release of stocks.

6.38 The facility of marketing finance to be provided by the State Bank of India is necessarily limited to marketing societies which are located either near to the branches of the State Bank or some other accessible points. At present the State Bank has 47 branches in West Bengal. It is quite likely that some marketing societies may not be able to have easy access to the State Bank. In such cases, we would suggest that the State Bank, may agree to provide marketing finance to the central cooperative banks concerned against the Government guarantee, thereby enabling the central cooperative banks to finance the relevant marketing societies. In the alternative, the State Bank of India may consider providing marketing finance on hypothecation of produce rather than pledge of produce.

### **Grading and processing**

6.39 Grading is an essential market practice associated with jute trade. If marketing societies in West Bengal have to function effectively in regard to jute, they must be equipped to undertake grading. In the Third Five Year Plan of West Bengal, there is a provision for 12 grading units to be provided to marketing societies. We would suggest that these units may be sanctioned on an accelerated basis and, in the first instance, they should be concentrated on marketing societies located within the proposed pilot project areas. Furthermore, we understand that there are a certain number of grading parties sanctioned to the Agriculture Department. These are mobile parties equipped with vans. We would suggest that these parties should also be developed in such a manner as to concentrate attention on the proposed pilot areas and assist marketing societies in the grading of jute.

6.40 One of the difficulties connected with marketing of jute arises from disputes relating to grading of jute. In one of the earlier chapters, we have described the details of various grades that are generally current. It is not un-common for the producer and the sellers to differ in regard to jute quality. We suggest that, in order to protect the interest of the grower and also to ensure proper grading, 'Agmark' grading should be undertaken by marketing societies, so that the responsibility for settlement of disputes in regard to grades is vested in a statutory authority under the law.

6.41 Among the various stages for preparing jute crop for the market, the most important is baling which is a term applied to the process of pressing loose jute by means of presses into a compact form so as to facilitate handling and transportation. While jute baling is an essential adjunct of jute marketing, practically no progress has so far been made in installing jute baling plants in the cooperative sector in West Bengal. In the Third Five Year Plan relating to West Bengal, no provision was earmarked for establishment of jute baling plants, as the State authorities contemplated that the requisite funds required for investment would be found by cooperatives themselves. Our analysis, however, shows that whatever funds cooperative marketing societies in West Bengal can muster would be badly needed for carrying on normal marketing operations. Hence we would suggest that to begin with 10 marketing societies located in the pilot project areas, should be assisted for establishing kutchra jute baling plants and financial assistance may be given to them for this purpose.

#### **Storage and transport**

6.42 About 105 marketing societies have so far built their own godowns with the assistance provided by the Government. In addition to their own godowns, the societies have also availed of hired storage space in some cases. Looking to the present storage requirements, the existing storage capacity available with these marketing societies may be considered adequate. However, in some cases, storage accommodation is not available with cooperatives in the secondary markets. It would be necessary to provide such accommodation particularly to the marketing societies in the pilot areas.

6.43 As regards the apex marketing society, assistance for construction of godowns, amounting to Rs. 50,000, was given during the second five year plan period. The amount has been found to be insufficient for constructing a godown in Calcutta. We suggest that an additional assistance of Rs. 2 lakhs should be given to the apex society,

so that it is able to build up adequate storage capacity in or near the terminal market at Calcutta.

6.44 Village societies or marketing societies were given assistance for construction of 158 rural godowns during the Second Five Year Plan in West Bengal. Some of the rural godowns are located either in primary markets or village hats and can be effectively harnessed in the marketing of jute. At other places where such hats and markets are held, particularly in the pilot project areas, it would be necessary to ensure that the village societies concerned are equipped with godowns. Where such village societies do not exist, marketing societies may be assisted to establish branch godowns. The Third Five Year Plan of West Bengal contemplates a programme of 100 rural godowns. The provisions made in the plan should be drawn upon for implementing our suggestion.

6.45 One of the suggestions repeatedly urged before us related to the need for providing assistance to marketing societies for purchasing trucks. While in the inland, a large quantity of jute is transported by boats, in the areas near Calcutta motor transport is increasingly in vogue. In order to enable the marketing societies with headquarters at secondary markets to collect produce from the primary markets, availability of transport facilities would certainly be helpful. However, it would be necessary to consider that marketing societies, with very small turnover, are not burdened with heavy running expenses or depreciation charges in respect of motor vehicles. Hence, while, in principle, marketing societies may be made eligible for assistance for purchase of trucks, the assistance should be so regulated as to ensure that societies, which will be able to effectively utilise such vehicles, alone are assisted.

#### **Creation of price fluctuation fund**

6.46 In the earlier paragraphs who have referred to the inevitable necessity of cooperative marketing societies in West Bengal undertaking outright purchase of jute. We have also indicated certain safeguards and under normal circumstances, these safeguards should enable the marketing societies to maintain themselves on an even keel. The chances of unforeseen fluctuations of a very erratic nature in regard to jute prices cannot be, however, ruled out and even after necessary prudence and caution, cooperative marketing societies may in some cases run into losses, which are beyond their capacity to bear. Considering that outright purchases are meant essentially for assisting marketing societies in giving better return to small growers, we are of the view that a special measure of assistance by way of creation of a

special price fluctuation fund would be justified. This fund may be created within the apex marketing society and contribution to the fund may be made both by the Central Government and the State Government. The initial size of the fund may be nearly Rs. 5 lakhs and it should be obligatory on the marketing societies and the apex marketing society to contribute to this fund about 10 per cent of their net profit every year. The fund may be operated by the apex marketing society, subject to the approval of the Registrar and may be utilised in well-defined situations for writing off a prescribed portion of losses arising from outright purchases effected within the frame-work of safeguards that should be laid down. The adequacy of the fund should be reviewed subsequently in the light of the experience gained.

### **Supervision and administration**

6.47 While going around various marketing societies we had occasion to observe that the societies were not being adequately supervised. In some cases, the local district Assistant Registrars were not fully aware of the shortcomings in various societies. In fact, some of the societies had not been visited for a long period. As the pilot programme of cooperative marketing of jute would call for considerable promotional and supervisory effort on the part of the State Cooperative Department, we would urge that for the pilot areas, for the effective supervision and guidance of 10 marketing societies and about 100 village societies, additional special staff, consisting of a Deputy Registrar and certain number of Inspectors should be provided. The Deputy Registrar may work in the office of the Registrar, while the Inspectors should be put under the District Assistant Registrars. The staff should be exclusively concerned with cooperative marketing activities, primarily in relation to jute.

6.48 In West Bengal, during recent years, nearly 81 persons (59 departmental candidates and 22 institutional candidates) have received training in the special course in cooperative marketing organised by the Central Committee for Cooperative Training. It is, however, understood that a number of these persons are no longer in position, as the cooperative institutions were unable to pay for them after the period of the managerial subsidy from the Government. The question of special assistance to the marketing societies of the Eastern Region, including West Bengal, was examined at considerable length in the Conference on Cooperative Marketing and Processing of Eastern States held at Ranchi in September, 1961 and the conference recommended that the societies should be eligible for a larger quantum of subsidy and for a longer period than what is normally admissible. We understand that this suggestion

has been accepted by the Government of India who have agreed to set apart a sum of Rs. 1 crore as a measure of special central assistance over and above the ceiling of central assistance in respect of various eastern States. With this liberalisation, it will be possible for the marketing societies to be provided with further assistance in regard to managerial personnel. It is hardly necessary for us to emphasise that the managerial personnel with the right calibre and sufficient business experience have a crucial role in the success of cooperative marketing programmes. Hence, it is vital that the personnel appointed by the marketing societies should be carefully selected. It is also suggested that in due course it should be examined whether a proper cadre of managerial personnel can be created under the apex marketing society.

6.49 As pointed out by us elsewhere, the programme of organisation of marketing societies was initially in the hands of the State Agriculture Department. Subsequently, the responsibility for this work was transferred to the State Cooperative Department. At present, we understand that while large-sized marketing societies are looked after by the cooperative department, the responsibility for small-sized marketing societies continues to vest in the Agriculture Department. This is apparently not conducive to proper functioning, particularly because small-sized marketing societies in West Bengal have either to be recognised as service cooperatives or amalgamated with primary marketing societies in the secondary markets. Hence we suggest that the Registrar, Cooperative Societies, should be given a unified responsibility in regard to all cooperative marketing societies. However, there would be a distinct advantage if the officers of the marketing section of the Agriculture Department are associated with the programme of cooperative marketing at various levels.

Sd/- S.S. Puri  
 Sd/- V.P. Sethi  
 Sd/- N.P. Chatterjee  
 Sd/- A.N. Vij  
 Sd/- M.N. Mattu  
 Sd/- B.M. Chitnis

New Delhi,

Dated : 29th November, 1961.

## ANNEXURE I

### COOPERATIVE MARKETING

#### **Position prior to Second Plan**

1. Compared to cooperative credit, cooperative marketing in India is generally a recent activity. In the period preceding the commencement of the Second Plan only a few sporadic attempts in this direction had been made. In 1945, the Cooperative Planning Committee had recommended that within 10 years, 25% of the total annual marketable surplus should be sold through cooperative organisations and, for this purpose, a marketing society should be organised at each of 2,000 mandis in the country. It appears that no planned effort was made to implement this recommendation. In 1951, when the All India Rural Survey was carried out, the position in regard to cooperative marketing was extremely unsatisfactory. It was observed that out of 75 districts selected for survey, only 12 reported any sales through cooperative organisations. Out of these 12 districts, only 5 districts reported sale of produce through cooperatives exceeding 1% of the total sales through all agencies. The Committee of Direction of the All India Rural Credit Survey described the situation as follows :

“A few—very few—fairly successful cooperative marketing societies do exist in India ; some of these may be significant pointers to the lines on which future progress is possible; but, as a present contribution towards bringing about a system in which marketing is by the cultivator and for the cultivator, the part which they occupy in the total picture is wholly insignificant. All the cooperative marketing societies in India put together still fail to catch one's attention in anything important, lacking in this respect even that purely numerical impressiveness which on paper, credit societies manage to marshal between themselves”.

#### **Programme under the Second Plan**

2. In the First Five Year Plan, the need for development of cooperative marketing side by side with cooperative credit was emphasised but no specific targets in this regard were laid down. It was only with the beginning of the Second Plan that emphasis on development of cooperative marketing was laid. The Second Plan envisaged that 1800 primary marketing societies should be organised or re-organised in

various mandis. It was also envisaged that in each State, an apex marketing society should be set up for facilitating the working of primary marketing societies.

3. Satisfactory progress has been reported in regard to the organisation of marketing societies under the Second Plan. During the first four years of the Second Plan, 1608 primary marketing societies were organised or reorganised. The final year of the Second Plan contemplated a programme of 261 marketing societies. With the fulfilment of this programme, it is obvious that as far as the physical target of organisation of primary marketing societies is concerned, the target of the Second Plan has been exceeded. As regards apex marketing societies, they were in existence before the Second Plan in certain State such as U.P. In other States they were set up during the Second Plan period.

4. It may be pointed out that a number of marketing societies have come into being outside the Plan programme. Most of them are specialised single commodity societies, such as fruit and vegetable societies, ghee societies.

### **Business operations**

5. The Second Five Year Plan, besides contemplating a programme of organising 1800 primary marketing societies, had also visualised that, by the end of the Second Plan, the societies should be able to handle 10% of the marketable surplus. There are a number of difficulties in assessing how far this objective has been actually fulfilled. These difficulties are as follows :

(i) Realistic information about the value of marketable surplus in various states is not forthcoming. The Directorate of Agricultural Marketing of the Ministry of Food and Agriculture has compiled certain figures about the quantity and value of notified agricultural produce assembled in regulated markets. However, information is lacking as far as unregulated markets are concerned.

(ii) The statistics about the operations of marketing societies collected by the Reserve Bank of India annually give separate figures for primary marketing societies and central marketing societies. Unfortunately, no uniform criteria appears to have been observed by different states while classifying societies for instance in several states including Bombay, taluka purchase and sale unions which are essentially primary marketing societies and which have been assisted on this basis, are classified as central societies.

(iii) The statistical statements prepared by the Reserve Bank of India indicate information about the value of commodities sold by the marketing societies both as agents and owners. It is not clear how far the information in the relevant columns contains data about the agricultural produce as well as consumer goods handled by some of the marketing societies. Consequently, there is a difficulty in assessing the business operations of the marketing societies strictly in respect of agricultural produce. Subject to the limitations mentioned above, an attempt has been made to analyse the impact of marketing societies in the succeeding paragraphs.

6. The following table shows the value of sales conducted by marketing societies at various levels in the last three cooperative years :

| <i>(Rs. in crores)</i> |                          |                          |                        |              |
|------------------------|--------------------------|--------------------------|------------------------|--------------|
|                        | <i>Primary societies</i> | <i>Central societies</i> | <i>State societies</i> | <i>Total</i> |
| 1957-58                | 16.09                    | 28.63                    | 4.85                   | 49.57        |
| 1958-59                | 26.72                    | 27.53                    | 10.90                  | 65.15        |
| 1959-60                | 48.99                    | 59.93                    | 31.23                  | 140.15       |

The above figures are exclusive of the figures of value of agricultural requisites distributed by marketing societies at various levels. The figures of the value of agricultural requisites distributed are given below :

| <i>(Rs. in crores)</i> |                          |                          |                        |
|------------------------|--------------------------|--------------------------|------------------------|
|                        | <i>Primary societies</i> | <i>Central societies</i> | <i>State societies</i> |
| 1957-58                | 5.30                     | 7.02                     | 2.47                   |
| 1958-59                | 7.57                     | 10.22                    | 7.09                   |
| 1959-60                | 9.15                     | 17.28                    | 6.48                   |

7. The figures given in the preceding paragraph regarding the value of sales carried out by marketing societies do not include the figures of value of agricultural produce marketed by processing cooperatives. Furthermore, the figures of sugarcane cooperatives have also not been



included in them. The relevant figures are as follows :

| <i>Year</i> | <i>Sugar-cane societies</i> | <i>Cooperative sugar factories</i> | <i>Cotton ginning &amp; Processing Socs.</i> | <i>Other processing societies.</i> |
|-------------|-----------------------------|------------------------------------|--|------------------------------------|
| 1957-58     | 43.42                       | 6.38                               | 2.62   | 0.27                               |
| 1958-59     | 44.51                       | 7.43                               | 6.21   | 1.16                               |
| 1959-60     | 67.48                       | 11.55                              | 7.24   | 1.42                               |

### Conclusions

8. The figures given in paragraph 6 and 7 above seem to point towards the following conclusions :

(a) In recent years there has been a significant increase in the turnover of marketing societies at various levels. The value of sales carried out by primary and central marketing societies as shown in paragraph 6 has almost doubled during the cooperative year ending June 1960, as compared to the preceding cooperative year.

(b) No firm data about the value of marketable surplus coming to various markets for sale are forthcoming. According to the figures furnished by the Directorate of Agricultural Marketing of the Ministry of Food and Agriculture, 536 regulated markets in the country (relatively more important ones) were reported to have received agricultural produce of the value of Rs. 532 crores. It appears that the value of agricultural produce arriving for sale in 1900 markets spread throughout the country may perhaps be estimated roughly about Rs. 2,000 crores. On this basis, it seems that if the trend of progress reported in the last cooperative year is maintained, in the current cooperative year, the cooperative marketing societies would have handled about 10% of the total marketable surplus in various mandis by the end of the Second Plan. The firm figures for this period would be available when the reports for the year ending June, 1961 are compiled.

(c) While progress in the field of cooperative marketing on the whole does not seem very unsatisfactory, the position is considerably uneven between different States. To a certain extent, this uneven development in the field of cooperative marketing appears to be an accompaniment of similar uneven development in the field of cooperative credit. A statement showing the value of sales of various important commodities in raw or processed form carried out by cooperatives at

various levels in different States for the cooperative year 1959-60 is given at appendix 'A'\*. It will be seen that six States, namely, Maharashtra, Uttar Pradesh, Punjab, Gujerat, Madras and Mysore account for over 80% of sales undertaken by marketing societies of various kinds.

(d) In certain States, significant progress has been made in regard to particular agricultural commodities. For instance, in U.P., considerable progress has been achieved in handling of foodgrains. In Rabi 1960, the total crop arriving in 112 mandis covered by marketing societies was reported to be 206 lakh maunds. Out of this, the marketing cooperatives handled 28 lakh maunds, i.e., 13.7%. Similarly, it may be mentioned that Gujerat State has done remarkably well in handling of cotton. In the Cooperative year ending June 1960 the total value of cotton handled by cooperatives at the primary and central levels (either in raw form or in processed form) was Rs. 17.47 crores, of this Gujerat accounted for Rs. 11.00 crores i.e. 63%.

(e) While the level of development of cooperative marketing varies between different States, there is also considerable variation between different marketing societies within the same State. For instance, in Rabi 1960, in U.P., out of a total of 112 marketing societies, 6 societies handled more than 50% of the total arrivals of foodgrains in their respective mandis, 40 societies handled more than 30% but less than 50%, 20 societies handled between 20 to 30%, 31 societies handled 10 to 20% and the remaining societies handled below 10%. A similar society-wise analysis has been made for Punjab State in respect of handling of foodgrains arriving in mandis. Their break up is as follows :

---

| <i>No. of societies</i> | <i>Percentage of total arrivals in mandis<br/>handled by the societies</i> |
|-------------------------|--|
| 1                       | 50 %   |
| 5                       | 30 %   |
| 7                       | 20 %   |
| 13                      | 10 %   |
| 21                      | 5 %  |
| About 80                | Below 5 %  |

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(f) It may be of interest to analyse the progress of cooperatives in the handling of sugarcane, cotton\*\* and foodgrains. On the basis of

\* Exclusive of the figures relating to distribution of production requisites.

\*\* Includes figures relating to marketing societies at primary and Central levels only.

the available data, the figures are indicated below for the last three cooperative years.

| Year    | (Rs. in crores)   |   |   |
|---------|---|---|---|
|         | Value of Sugar-cane sold by cooperatives in raw or processed form | Value of cotton sold by cooperatives in raw or processed form | Value of food-grains sold by cooperatives |
| 1957-58 | 51.92   | 12.85   | 6.57                                      |
| 1958-59 | 55.19   | 17.23   | 10.60                                     |
| 1959-60 | 85.92   | 17.47   | 26.82                                     |

### Difficulties and impediments

9. From the available information, the following seem to be the difficulties and impediments in the way of cooperative marketing :

(i) Development of cooperative marketing to a considerable extent is tied up with development of cooperation in other fields particularly cooperative credit. As pointed out by the Expert Committee on Co-operative Credit "A factor that stands in the way of a member of a cooperative credit society to take his produce to the marketing society is the inadequate supply of credit by the former. As a result, the cultivator looks to a trader or a merchant and obtains an accommodation from him against promise of selling the produce to him". In areas where cooperative credit is not yet well developed, this factor continues to inhibit the growth of cooperative marketing of agricultural produce.

(ii) Cooperative marketing societies are comparatively of recent origin and generally they have not had much time to establish themselves on a firm footing. Moreover, they have to compete against strong vested interests—"cultivators pitted against traders, trying to beat them at their own game and oust them from a market which the traders already hold".

(iii) Even during the limited period of their existence, marketing societies have in most parts of the country been generally occupied with supply and distribution functions. In fact, until very recently, the annual statistics about the turn-over of marketing societies did not make a distinction between the distributive functions and marketing functions and hence, generally speaking, the resources of the societies as well as the time and energy of their managerial staff were largely taken up with

supply and distributive functions. This naturally resulted in somewhat indifferent attention being paid to development of agricultural marketing. In this connection, the following measures have been recently suggested by the Regional Seminar on Cooperative Marketing held at Agra in February, 1961.

(a) The Cooperative Department officials and others concerned with evaluation of the progress of cooperative movement should make a clear distinction in their minds between supply and marketing functions of marketing societies. The achievement of the marketing societies should be separately assessed in respect of each of these functions. The statistics about such operations of the marketing societies should also be separately compiled.

(b) Requirements of marketing societies in relation to funds for conducting marketing operations should be separately worked out and ways and means adopted to make sure that the societies broadly earmark these funds for this purpose so that marketing functions are not handicapped for want of funds or by large investment of funds in the production requisites.

(c) Separate books of accounts for marketing functions of societies should be maintained and at the end of each year, it should be examined so as to see to what extent the marketing functions of the society had been economically profitable. For this purpose, a separate profit and loss account should be worked out and the expenditure incurred on common staff may be suitably apportioned.

(iv) The general experience indicates that there is considerable operational advantage in the headquarter of the marketing society being located at a market centre already established in accordance with the normal trade channels and in delimiting the area of operation so as to cover villages whose produce ordinarily arrives in the relevant market centre for disposal. In view of this, the question of location of area of operation of a marketing society should be decided primarily in the light of the requirements of business rather than administrative convenience such as coinciding the headquarter of the marketing society with the block headquarter. It is noted, however, that in a few States such considerations were not kept in view. For instance, in Bihar, societies organised at block headquarter and their area of operation was co-terminus with the area of block. In certain other cases, marketing societies located near the border of two States or near the border of jurisdiction of two Assistant Registrars were artificially confined in their operations to certain villages.

(v) The absence of suitable managerial personnel combining business experience with cooperative background is another factor handicapping the operations of marketing societies.

(vi) While in the field of cooperative credit the primary societies are generally receiving a strong support from their central and apex organisations, such support is usually absent in the case of cooperative marketing. With the exception of a few States, apex marketing societies are of recent origin and therefore have not played an effective part in facilitating the operations of their primary marketing societies either by way of inter-state trade or export trade. Furthermore, apex marketing societies have been generally occupied with supply and distributive functions and have not given adequate attention to development of cooperative marketing.

(vii) Cooperative Marketing Societies have generally tried to function by way of commission agents. However, in certain circumstances, outright purchases of agricultural produce are necessary. The cooperatives have been generally lacking in financial and organisational strength for making such purchases on an adequate scale. Experience seems to indicate that there is an advantage if outright purchases are made by the apex marketing society rather than by the local primary marketing society. With the exception of U.P., where apex marketing society has played a significant role in this direction, the apex societies have generally not come to the assistance of the primary marketing societies in this connection. The second main consideration about outright purchases relates to the financial capacity to find funds and also to bear risk. This has also not been possible in the absence of a strong support from apex organisations. The problem of outright purchases by the marketing society has also been complicated by two other factors, namely, (a) absence of minimum guaranteed price (b) absence of special funds for writing off losses arising out of outright purchases.

(viii) In certain cases operations of marketing societies have been handicapped due to inadequacy of working funds. For instance, in many parts of the country, there is a trade practice under which the purchaser obtains the agricultural produce from the commission agent and is required to make payment within a week or so. Hence cooperative marketing societies in such cases temporarily need large amounts of revolving capital.

(ix) It was contemplated that there would be an organic and functional link between credit and marketing societies and, while helping

the credit societies in the recovery of their production loans, this arrangement would help the marketing societies in collection of agricultural produce. It is, however, noted that, with the exception of Uttar Pradesh, other states have not been able to make much headway in regard to these arrangements. However in U.P. during the year 1959-60, of the total advances of Rs. 7.96 crores made by credit societies within the area of operation of 97 marketing societies a sum of Rs. 2.43 crores, i.e. 30.5% was recovered through the sale of produce. In some societies, the recovery was a cent per cent. This linking of credit with marketing was also helpful to marketing societies in U.P. as it tended to ensure arrival of a sizeable volume of agricultural produce within the premises of marketing society for sale. It may be added that members of credit societies in U.P. were required to execute agreements in favour of the society at the time of grant of production loans. Such agreements, besides binding the members to sell their produce through the marketing societies also provided that a higher rate of interest would be imposed on a member in the event of his not selling the produce through the marketing society.

(x) It appears that in Uttar Pradesh and a few other states where cooperative marketing has made a definite progress, one of the basic factors has been the assistance and cooperation rendered to the management of cooperative marketing societies by the staff of various concerned departments, particularly Community Development, Agriculture and Cooperation. Such concerted efforts on the part of these agencies were, however, not visible in other areas.

10. In the preceding paragraph certain difficulties and impediments which are generally confronting the marketing societies in the country, have been listed. In addition, there are certain difficulties which are of a local nature. Some of them are indicated below :

(i) In certain States, the policy followed regarding the procurement of foodgrains is handicapping the marketing societies. For instance, in U.P., under the Rice Procurement (Levy) Order 1959, every miller and trader has to deliver to Government certain percentage of grades of rice held by him or manufactured by him at a certain controlled price. This controlled price happens to be lower than the prevailing market price. Hence it is understood that traders and millers in their effort to evade the levy on their stocks of rice were found to be reluctant to purchase paddy from the commission shops run by cooperative marketing societies. A similar levy order was also applicable to wheat in U.P. but that order has recently been withdrawn.

(ii) Another factor which in certain states is adversely affecting the operations of marketing societies is the imposition of sales tax. It is understood that the stocks of agricultural produce held by a marketing society in its godown on behalf of the member either under an arrangement of pledge or otherwise have been held liable for sales tax, even though *prima facie* there is no transaction of purchase and sale in such cases between the society and the producer-member.

(iii) In one state, the marketing societies made substantial clean advances to their members. It appears that the intention was that a member of a marketing society may be eligible for a clean loan from the society if he happens to be in the market centre. This advance was meant to be restricted to the paid-up share capital held by such a member. However, it was noted that instead of building loyalty, this practice resulted in large advances being made on a clean basis by marketing societies and, in order to avoid repayment of such advances the members were found to be reluctant in taking their produce to the marketing society for sale.

(iv) In a number of Southern States while certain cash crops such as cotton and ground-nut have been declared as notified commodities under the Agricultural Produce Markets Act, paddy has not been thus notified. Consequently sales of paddy continues to take place on an extensive scale at the village level where the rice millers operate through their agents. This largely prevents the marketing societies in those areas from effectively operating in regard to marketing of paddy.

**Annexure I—'A'**

**Sales of Agricultural Produce by different Cooperative Agencies (1959-60)**

*(Rs. in thousands)*

| State             | Food grains         |                 |                 |                 | Cotton              |                |                |                      |                 |
|-------------------|---------------------|-----------------|-----------------|-----------------|---------------------|----------------|----------------|----------------------|-----------------|
|                   | Marketing Societies |                 |                 |                 | Marketing Societies |                |                | Processing Societies | Total           |
|                   | State               | Central         | Primary         | Total           | State               | Central        | Primary        |                      |                 |
| 1                 | 2                   | 3               | 4               | 5               | 6                   | 7              | 8              | 9                    | 10              |
| Andhra Pradesh    | Nil                 | 15.77           | 31.96           | 47.73           | Nil                 | 4              | 6              | —                    | 10              |
| Assam             | 5,92.68             | 27.37           | 2.96.45         | 9,16.50         | —                   | —              | 2              | —                    | 2               |
| Bihar             | —                   | Nil             | 3.99            | 3.99            | —                   | —              | —              | —                    | —               |
| Gujerat           | —                   | 1,94.54         | 64.05           | 2,58.59         | —                   | 85.43          | 3,83.11        | 6,31.72              | 11,00.26        |
| Jammu & Kashmir   | —                   | 13.55           | 28.16           | 41.71           | —                   | —              | —              | —                    | —               |
| Kerala            | 26.73               | —               | 27.36           | 54.09           | —                   | —              | 8              | —                    | 8               |
| Madhya Pradesh    | 48.77               | —               | 1,83.03         | 2,31.80         | —                   | —              | 11.43          | 12.31                | 23.74           |
| Madras            | —                   | 4,69.33         | 68.50           | 5,37.83         | —                   | 2,39           | 42.12          | —                    | 44.51           |
| Maharashtra       | 35.73               | 4,29.23         | 18.86           | 4,83.82         | —                   | 1,94.76        | 17.29          | 30                   | 2,12.35         |
| Mysore            | 12.00               | —               | 1,22.96         | 1,34.96         | —                   | —              | 1,98.41        | 98                   | 1,99.39         |
| Orissa            | —                   | —               | 23.51           | 23.51           | —                   | —              | —              | —                    | —               |
| Punjab            | —                   | —               | 2,98.88         | 2,98.88         | 6.43                | —              | 79.17          | 78.67                | 1,64.27         |
| Rajasthan         | 13.37               | —               | 55.76           | 69.13           | —                   | —              | 5.87           | 2                    | 5.89            |
| Uttar Pradesh     | 4.09                | 12.76           | 2,63.10         | 2,79.95         | —                   | 1.76           | —              | —                    | 1.76            |
| West Bengal       | 41                  | —               | 23.11           | 23.52           | —                   | —              | 45             | —                    | 45              |
| Union Territories | 7.07                | 2.51            | 7.27            | 16.85           | —                   | —              | 24             | —                    | 24              |
| <b>Total</b>      | <b>7,40.85</b>      | <b>11,65.06</b> | <b>15,16.95</b> | <b>34,22.86</b> | <b>6.43</b>         | <b>2,84.38</b> | <b>7,38.25</b> | <b>7,24.00</b>       | <b>17,53.06</b> |



**Annexure I—'A' (Contd.)**

| State             | Sugar Cane                  |                  |                 | Jaggery      |                |                |                |
|-------------------|-----------------------------|------------------|-----------------|--------------|----------------|----------------|----------------|
|                   | Supply societies and Unions | Sugar* factories | Total           | State        | Central        | Primary        | Total          |
|                   | 11                          | 12               | 13              | 14           | 15             | 16             | 17             |
| Andhra Pradesh    | —                           | 55,00            | 55,00           | 4            | 5,16           | 50,66          | 55,86          |
| Assam             | —                           | 25,31            | 25,31           | —            | —              | 6,18           | 6,18           |
| Bihar             | 13,24,70                    | —                | 13,24,70        | —            | —              | 23             | 23             |
| Gujarat           | —                           | 37,94            | 37,94           | —            | 2,77           | 32             | 3,09           |
| Jammu & Kashmir   | —                           | —                | —               | —            | —              | —              | —              |
| Kerala            | —                           | —                | —               | —            | —              | —              | —              |
| Madhya Pradesh    | —                           | —                | —               | —            | —              | 25,88          | 25,88          |
| Madras            | —                           | —                | —               | —            | 5,46           | 3,54           | 9,00           |
| Maharashtra       | 3,44                        | 7,06,78          | 7,10,22         | —            | 4,45,13        | 32             | 4,45,45        |
| Mysore            | 13,92                       | 67,99            | 81,91           | 30,00        | —              | 18,41          | 48,41          |
| Orissa            | —                           | —                | —               | —            | —              | —              | —              |
| Punjab            | 2,47,48                     | 1,85,59          | 4,33,07         | —            | —              | 92,08          | 92,08          |
| Rajasthan         | —                           | —                | —               | —            | —              | 54             | 54             |
| Uttar Pradesh     | 51,58,92                    | 75,95            | 52,34,87        | 24,43        | 25,47          | —              | 49,90          |
| West Bengal       | 5                           | —                | 5               | —            | —              | 47             | 47             |
| Union Territories | —                           | —                | —               | —            | 18             | 1,95           | 2,13           |
| <b>Total</b>      | <b>67,48,51</b>             | <b>11,54,56</b>  | <b>79,03,07</b> | <b>54,47</b> | <b>4,84,17</b> | <b>2,00,58</b> | <b>7,39,22</b> |

\*Figures relate to value of cane crushed.

*Annexure I—'A' (Contd.)*

| State             | Other crops |                     |          |                  |          | Grand Total |
|-------------------|-------------|---------------------|----------|------------------|----------|-------------|
|                   | State       | Marketing Societies |          | Other Processing | Total    |             |
|                   |             | Central             | Primary  |                  |          |             |
|                   | 18          | 19                  | 20       | 21               | 22       | 23          |
| Andhra Pradesh    | 17,20       | 3,56,81             | 2,24,11  | N.A.             | 5,98,12  | 7,56,81     |
| Assam             | 41          | 59                  | 19,40    | N.A.             | 20,40    | 9,68,41     |
| Bihar             | 2,62,73     | —                   | 5,76     | 36,66            | 3,05,15  | 16,34,07    |
| Gujerat           | —           | 6,81,00             | 1,69,26  | 4,21             | 8,54,47  | 22,54,35    |
| Jammu & Kashmir   | —           | 54,78               | 40,52    | —                | 95,30    | 1,37,01     |
| Kerala            | 5,98        | 37,43               | 33,09    | 5,59             | 82,09    | 1,36,26     |
| Madhya Pradesh    | 69,88       | —                   | 2,99,68  | 30,55            | 4,00,11  | 6,81,53     |
| Madras            | 45,01       | 5,98,33             | 1,58,62  | —                | 8,01,96  | 13,93,30    |
| Maharashtra       | 93,41       | 13,17,01            | 1,13,93  | —                | 15,24,39 | 33,76,23    |
| Mysore            | 31,16       | 1,14                | 7,85,34  | 4,26             | 8,21,90  | 12,86,57    |
| Orissa            | 3,95        | —                   | 77,29    | —                | 81,24    | 1,04,75     |
| Punjab            | 8,86,24     | —                   | 3,86,83  | 36,61            | 12,89,68 | 22,77,98    |
| Rajasthan         | 77          | —                   | 49,57    | —                | 50,34    | 1,25,90     |
| Uttar Pradesh     | 8,86,73     | 9,68,59             | 7,43     | 9,91             | 18,72,66 | 74,39,14    |
| West Bengal       | 20,93       | —                   | 42,95    | 8,21             | 72,09    | 96,58       |
| Union Territories | 17,09       | 43,27               | 29,89    | 6,44             | 96,69    | 1,15,91     |
| Total             | 23,21,49    | 40,58,95            | 24,43,67 | 1,42,48          | 89,66,59 | 2,27,84,80  |

## ANNEXURE II

### NATIONAL COOPERATIVE DEVELOPMENT AND WAREHOUSING BOARD GUIDE QUESTIONNAIRE on the MARKETING OF JUTE IN WEST BENGAL

(Information to be supplied by the Department/Section of  
Agricultural Marketing.)

*Note* : All information may please be supplied for the latest period  
preferably for the year 1960-61.

#### General information regarding acreage and production

1. What is the total area (in acres)  
under cultivation and the total  
agricultural production (of all  
crops) in the State :
  - (i) Total area under cultivation .....*during the year*.....  
(in acres)
  - (ii) Total agricultural production .....*during the year*.....  
(in mds.)
  
2. What is the total area under culti-  
vation and total production of  
jute in the State ?
  - (i) Total area under cultivation .....*during the year*.....  
of jute (in acres)
  - (ii) Total production of jute .....*during the year*.....  
(in mds.)
  
3. Please give district-wise details of  
the area under cultivation and the  
production of jute :

*Name of District*

*Area under Total produc-  
cultivation tion  
(in acres) (in mds.)*

- (i)
  - (ii)
  - (iii)
  - (iv)
4. Are there any particular important  
pockets of production of jute

within the districts ? If yes, please give details regarding their location and production.

### **Marketing structure**

5. What are the types (e.g. bi-weekly/ weekly hats, mandis and terminal markets etc.) of markets in vogue in the State ? Please give details regarding their number under each type and the system of their working.
6. Is regulated Markets Act in force in the State ? If yes, please give the following information :
  - (i) Total number of organised markets/mandis/hats in the State.
  - (ii) Of the above (i) regulated.
7. (a) Whether jute has been covered by the Act. *Yes/No*  
 (b) If no, the reasons thereof.
8. (a) Are there any particular important markets for the jute in the State ? If yes, please give particulars of their number and location.  
 (b) Are they necessarily located in the important pockets of production ? Please indicate the reasons of their such location.

### **Marketing operations, practices and other related problems**

9. What is the quantity and percentage of the total produce of jute retained by the producers with

- |   | <i>Quantity<br/>(in mds.)</i> | <i>percent-<br/>age</i> |
|---|-------------------------------|-------------------------|
| <p>themselves for different purposes,<br/>e.g.</p> <p>(i) for domestic purposes,</p> <p>(ii) for barter transaction,</p> <p>(iii) for payment of wages in kind,</p> <p>(iv) for other purposes (please<br/>specify)</p> |                               |                         |
| 10. What is the marketable surplus of jute in the state ?   |                               |                         |
| 11. What will be the total quantity of jute sold :  |                               |                         |
| (i) In the markets :  |                               |                         |
| (a) Regulated.  |                               |                         |
| (b) Unregulated.  |                               |                         |
| (ii) Sold directly to the millers.  |                               |                         |
| 12. Of the total quantity produced, how much quantity is sold :   |                               |                         |
| (i) In the villages itself.   |                               |                         |
| (ii) In the markets within the districts of production itself.  |                               |                         |
| (iii) Outside the district of production in the state.  |                               |                         |
| (iv) Outside the state.   |                               |                         |
| 13. What are the arrivals of jute in the important markets ? Please give separate quantities of arrivals for each of the important markets in the state.  |                               |                         |
| 14. What will be the quantity and percentage of total jute coming to the market for sale brought by growers themselves and other  |                               |                         |

agencies ? Please give the information in the following form :

| <i>Agency</i>  | <i>Quantity<br/>(in mds.)</i> | <i>Percentage of<br/>the total<br/>arrivals in the<br/>market</i> |
|--|-------------------------------|---|
| (i) Growers.   |                               |   |
| (ii) Cultivators collecting produce of others.   |                               |   |
| (iii) Village mahajans or banias.  |                               |   |
| (iv) Wholesalers (Kucha or pucca arhatias).  |                               |   |
| (v) Jute mill agents.  |                               |   |
| (vi) Other agencies, if any. (Please specify)  |                               |   |
| (vii) Total  |                               |   |
| 15. Whether grading of the commodity is done in the market ? If yes, whether according to :  |                               |   |
| (i) local trade conventions, or  |                               |   |
| (ii) according to millers' specifications, or  |                               |   |
| (iii) under Agmark scheme, and what will be the percentage of the graded quantity of the commodity ?   |                               |   |
| 16. What are the market functionaries (e.g., arhatias, dalal, weighman, palledar, etc.) engaged in the trade of the commodity ? What are their functions and charges ?   |                               |   |
| 17. What are the marketing practices prevalent in the state ? What is the system of sale (e.g., by open auction/open bargaining/secret hand bidding/secret tender, etc.) ? How the price is fixed and what are the market charges payable by the buyer and the seller ? Please |                               |   |

64.

give full details of the market mechanism in the state.

18. What is the system of payment of price of the jute sold? Is the payment made immediately after the sale is effected or after some stipulated period? Is any interest charged for deferred payments? Please indicate the procedure generally followed in the market.
19. What are the different sources of finance of private agencies dealing in the trade of the commodity?
20. What are the different methods of storage at :
  - (i) village level,
  - (ii) mandi level, or
  - (iii) terminal market level, and cost of storage under different systems and average period of storage
21. What is the mode of transport generally in practice? What will be the proportion of commodity transported by road, rail and water? What is the cost and rate of freight by different means? Whether lack of transportation facilities is a hurdle in the movement of the commodity within the state or outside the state. Please give full particulars of the problem.

### **Processing**

22. What are the systems of baling of jute prevalent in the state, e.g., by indigenous methods and by machinery.
23. What is the total number of baling

units and their total capacity engaged in the baling of jute in the state ? Please give information in the following form :

- (i) Kacha baling units.  
 (ii) Pucca baling units.
24. What is the total quantity of jute baled by the baling units during the year.....?  
 (i) By kacha-baling units.  
 (ii) By pucca-baling units.
25. Of the baled quantity, how much is marketed :  
 (i) In the market itself.  
 (ii) Outside the market in the same district.  
 (iii) Outside the district.  
 (iv) Outside the state.
26. Are the baling units undertaking baling activity on their own account only, or ; are they hiring out their plants to others also ? Please indicate the general practice.
27. Is the installed capacity of baling units enough for the baling needs of the state, or, is there any further scope for more units ?
28. Do the baling plants work to the full capacity ? If not, what are the reasons and remedies thereof ?
29. Is the baling activity carried on throughout the year/during particular season only ?
30. What is the average season for running the plants ? How are the

*Total      Total Capacity*

*Quantity (in mds.)*

**Total :**



plants utilised in the off-season ?

31. Have the plants undertaken any subsidiary activities to supplement their income and keep the plants engaged throughout the year ? If yes, please give particulars of such activity and the number of units undertaking such activity.

### Prices

32. What is the average marketing season of jute in the State ?
33. What is the extent of seasonal variation in prices ? Is the trend of variation in prices generally steady or erratic ? Please indicate the general phenomenon. Please give the month-wise minimum-maximum prices for the past three years in the following form :—

| <i>Months</i> | <i>Prices during the years</i> |             |             |             |             |             |
|---------------|--------------------------------|-------------|-------------|-------------|-------------|-------------|
|               | <i>1958</i>                    |             | <i>1959</i> |             | <i>1960</i> |             |
|               | <i>Mini</i>                    | <i>Maxi</i> | <i>Mini</i> | <i>Maxi</i> | <i>Mini</i> | <i>Maxi</i> |
| 1. January    |                                |             |             |             |             |             |
| 2. February   |                                |             |             |             |             |             |
| 3. March      |                                |             |             |             |             |             |
| 4. April      |                                |             |             |             |             |             |
| 5. May        |                                |             |             |             |             |             |
| 6. June       |                                |             |             |             |             |             |
| 7. July       |                                |             |             |             |             |             |
| 8. August     |                                |             |             |             |             |             |
| 9. September  |                                |             |             |             |             |             |
| 10. October   |                                |             |             |             |             |             |
| 11. November  |                                |             |             |             |             |             |
| 12. December  |                                |             |             |             |             |             |

34. Is there any price support measure taken by the Govt. to check the abnormal fluctuations in the price? If yes, please indicate the system

and its workability in general practice.

35. How is the price spread from the producer to the consumer amongst the various items of expenditure incurred on all operations involved as the product moves from the farmers' holding to the final consumer ?
36. What is the share of the producer, miller, wholesaler and retailer in the price paid by the final consumer ?

**General :**

37. Any other problems not covered by this questionnaire which hamper the marketing of the commodity or work to the detriment of the producer may please be mentioned and any suggestions to overcome such situation in the light of your experience may also please be indicated.
38. Has the state govt. undertaken any special studies or surveys regarding the marketing of jute in the state ? If yes, please supply copies of reports published/unpublished and any other relevant literature published/unpublished on the subject.

## ANNEXURE III

### NATIONAL COOPERATIVE DEVELOPMENT AND WAREHOUSING BOARD GUIDE QUESTIONNAIRE on the ROLE OF COOPERATIVES IN THE MARKETING OF JUTE IN WEST BENGAL

(Information to be supplied by the Cooperative Department)

*Note* : Information may please be supplied for the latest period preferably for the year ending 30-6-1961.

---

#### Number and location of cooperative marketing societies

1. What is the total number of co-operative marketing societies in the state ?
2. How the cooperative marketing societies are located ? What are the general considerations determining the location of a society and its area of operation ?
2. Are the cooperative marketing societies located in all the important production pockets and the important markets of jute in the state ?
4. What is the total number of cooperative marketing societies in the state dealing in jute exclusively and alongwith other commodities ?

#### Financial position

5. Please give the details of financial position of the marketing societies dealing in jute in the state in the following form :

- (i) Paid up share capital :
- (a) Members' contribution (Rs.)
- (b) Government contribution (Rs.)
- (c) Total (Rs.)
- (ii) Reserve and other funds.
- (iii) Total owned funds.
- (iv) Borrowings during the year from :
- (a) Government (Rs.)
- (b) State Bank of India (Rs.)
- (c) Central Financing Agencies (Rs.)
- (d) Others, if any (please specify).
- (e) Total (Rs.)
- (v) Borrowings outstanding at the end of the year to :
- (a) Government (Rs.)
- (b) State Bank of India (Rs.)
- (c) Central Financing Agencies (Rs.)
- (d) Others, if any (Rs.)
- (e) Total (Rs.)
- (vi) Total working capital (Rs.)

**Marketing operation and the sources of finance**

6. Total quantity of the jute handled by the societies as agents and as owners of members and non-members. Please give particulars in the following form:

| Year  | Total market-<br>able surplus | Qty. (in mds) marketed by Coop. Marketing Socys. |                   |                |                   |              |                       |
|-------|-------------------------------|--|-------------------|----------------|-------------------|--------------|-----------------------|
|       |                               | As agents of                                     |                   | As owners from |                   | Total        |                       |
|       |                               | Mem-<br>bers                                     | Non-mem-<br>bers. | Mem-<br>bers   | Non-mem-<br>bers. | Mem-<br>bers | Non-<br>mem-<br>bers. |
| <hr/> |                               |  |                   |                |                   |              |                       |

7. Of the total quantities marketed by the societies, how much was sold.
  - (i) In the market itself.
  - (ii) In the adjoining markets within the district.
  - (iii) Outside the district.
  - (iv) Outside the state.
  - (v) Exported, if any.
8. Do bye-laws of the marketing societies or the circulars of the Registrar fix any limit upto which outright purchases may be effected ? If so, please indicate the said limit and how far is that limit observed in actual practice ?
9. Whether the inability of marketing societies to undertake (i) purchases on any large scale and (ii) sales in the forward market, affect their business.
10. Do the marketing societies generally market the produce of non-members also ? If yes, what will be the percentage of non-members' produce marketed by the cooperative marketing societies as agents and as owners ?
11. Do the marketing societies advance loans to their members against the pledge of jute ? If yes, upto what percentage of the market value of the commodity are pledge advances made by them ?
12. Please give the quantities of jute received by the marketing societies on pledge and the amounts advanced against the same by them during the year :

- (i) Quantity of jute pledged  
(in mds.)
  - (ii) Total amounts advanced by  
the societies against the pledge  
(in Rs.)
13. Are the marketing societies experiencing any difficulties in getting adequate finance for making advances against pledge of produce ?
14. What are the sources of finance of marketing societies ? Whether facilities for marketing finance from (a) cooperative banks and (b) State Bank of India are adequate and flexible ? Whether relative absence of clean credit facilities affect the business of marketing societies ? Please indicate the general position.
15. What part of their funds is generally used for stocking seed, fertilizers, consumer goods, etc. ?
16. Is the shortage of finance, if any, due to their large investment in agricultural requisites and consumer goods ? Please indicate the general position.

#### **Marketing Practices**

17. What is the procedure followed (e.g. (i) open auction (ii) open bargaining (iii) secret hand bidding (iv) secret tender, etc.) for effecting sales by the cooperative societies in the state ?
18. What is the system of payment to the producer of the price of the produce sold by him followed by

cooperative societies ? Is the payment made to him immediately, or after some stipulated period ? Please indicate the general practice followed.

19. Are the private traders made as nominal members by the marketing societies ? Do they make payments immediately to the marketing societies for the produce sold to/ through them ? Or, do they make payments after some stipulated period ? What is the period generally allowed to them for making payments ? Is any interest charged from them for deferred payments ? Please indicate the general practice followed.
20. What is the system of deductions made by the cooperative marketing societies from members and non-members for arranging the sale of their produce ?

### **Processing**

21. What is the total number and capacity of baling units owned by the cooperative societies in the state ?
- (i) Kacha baling units.  
(ii) Pucca baling units.
22. What is the total quantity of jute baled by the cooperative processing units during the year ?
23. Of the baled quantity, how much is marketed :
- (i) in the market itself,  
(ii) outside the market within the district,

*Total No.      Total capacity*

- (iii) outside the district,
  - (iv) outside the state.
24. Do the baling units work to the full capacity ? If not what are the reasons and remedies thereof ?
  25. Is the baling activity carried on throughout the year/during particular season only ?
  26. What is the average season for running the plants ? How are the plants utilised in the off-season ?
  27. Have the units undertaken any subsidiary activities to supplement their incomes and keep the plants engaged throughout the year ? If yes, please give particulars of such activity and the number of units undertaking such activity.
  28. Is the processing capacity owned by the cooperatives adequate to strengthen the cooperative marketing of jute ? Or, whether the want of adequate processing facilities has affected the development of cooperative marketing ?

#### **State trading**

29. Is/was there state trading in jute in the state ? If yes, what is/was the role assigned to the cooperative marketing societies and their performance in the state trading ? Please give full particulars of their functions and working and whether it has/had helped or retarded their development.

#### **Role of apex marketing society**

30. What is the role of apex marketing society in the marketing of



jute ? How far it has helped the primary marketing societies in promoting the marketing of the commodity ?

### Storage

31. Please give the particulars of number of godowns owned/hired by the marketing societies and their capacity in the following form

*Total No.      Total Capacity*

- (i) Owned godowns.
  - (ii) Hired godowns.
  - (iii) Total.
  - (iv) No. of societies without any godowns.
32. Is the storage capacity available with marketing societies adequate ? Or, is the inadequacy of storage an impediment in the marketing of the commodity ?
33. What are the charges made by the marketing societies for the storage of the produce ? What is the average period of storage ?

### Linking of credit with marketing

34. Total number of agricultural credit societies in the state and the amount of loans advanced by them during the year :

*No.                      Amount of loans  
   advanced (Rs.)*

- (i) Large-sized.
  - (ii) Small-sized.
  - (iii) Total.
35. Of the above, how many are affiliated with the marketing societies and the amount of loans advanced by them during the year :

- |  | <i>No.</i>  | <i>Amount of loans<br/>advanced (Rs.)</i> |
|--|---|---|
| (i) Large-sized.   |   |   |
| (ii) Small-sized.  |   |   |
| (iii) Total.   |   |   |
| 36. Has marketing been effectively linked with credit ?  |   | <i>Yes/No</i>                             |
| 37. Are the borrowing members of credit societies required to sign the bond to sell their produce through the marketing societies ?              |   |   |
| 38. What is the number of credit societies for which loans were recovered by the marketing societies and the amounts recovered during the year ? |   |   |
|  | <i>No. for which<br/>loans were<br/>recovered (No.)</i> | <i>Amounts<br/>recovered<br/>(Rs.)</i>    |
| (i) Large-sized.   |   |   |
| (ii) Small-sized.  |   |   |
| (iii) Total.   |   |   |
| 39. What are the impediments, if any, in the effective linking of credit with marketing ?  |   |   |

#### **Managerial personnel**

40. Are the marketing societies adequately staffed ?
41. How many marketing societies have whole-time/part-time paid secretary/manager ?
- (i) No. of societies having whole-time paid secretary/manager.
- (ii) No. of societies having part-time paid secretary/manager.
42. Of the total number of paid secretaries/managers, with marketing societies :



cate nature of such levies and taxes.

46. Did private traders any time create any difficulties in the working of the societies and whether their opposition has hampered their growth ? What efforts have been made to overcome them and what are the results ?
47. Any other problems which hamper the cooperative marketing of the commodity and your suggestions in the matter may please be fully indicated.
48. A copy of the model bye-laws of the cooperative marketing and baling societies dealing in the commodity may please be supplied.
49. Has the department undertaken any special studies or surveys regarding the marketing of jute by the cooperatives in the state ? If yes, please supply the copies (published/unpublished) of such reports and other relevant literature.

## ANNEXURE IV

**Estimated quantity of arrivals during 1960-61 in important assembly centres of the State : (Yearly arrivals of more than lakh maunds)**

| <i>Name of District</i> | <i>Name of centre</i>         | <i>Quantity in maunds</i> |
|-------------------------|-------------------------------|---------------------------|
| 24 Parganas             | 1. Bongaon                    | 3,40,000                  |
|                         | 2. Baduria                    | 2,00,000                  |
|                         | 3. Habra                      | 3,00,000                  |
|                         | 4. Chandpara                  | 1,70,000                  |
|                         | 5. Basirhat                   | 1,00,000                  |
| Cooch-Behar             | 6. Cooch-Behar                | 3,00,000                  |
|                         | 7. Dinhata                    | 3,50,000                  |
|                         | 8. Haldibari                  | 2,50,000                  |
|                         | 9. Mathabhanga                | 1,50,000                  |
| Murshidabad             | 10. Murshidabad (Coosimbazar) | 7,00,000                  |
|                         | 11. Beldanga                  | 3,00,000                  |
|                         | 12. Jiaganj                   | 6,00,000                  |
|                         | 13. Bhagabangola              | 4,00,000                  |
|                         | 14. Dhulian                   | 5,00,000                  |
| Nadia                   | 15. Karimpur                  | 6,00,000                  |
|                         | 16. Majdia                    | 4,00,000                  |
|                         | 17. Plassay                   | 3,00,000                  |
|                         | 18. Chakdah                   | 6,00,000                  |
|                         | 19. Ranaghat                  | 3,00,000                  |
| West Dinajpur           | 20. Balurghat                 | 1,00,000                  |
|                         | 21. Gangarampur               | 1,00,000                  |
|                         | 22. Raiganj                   | 1,00,000                  |
|                         | 23. Islampur                  | 1,50,000                  |
| Malda                   | 24. Samshi                    | 1,50,000                  |
|                         | 25. Dhaluka Road              | 1,00,000                  |
|                         | 26. Harishchandrapur          | 1,00,000                  |
| Jalpaiguri              | 27. Alipurduar                | 1,50,000                  |
|                         | 28. Dhupguri                  | 1,00,000                  |
|                         | 29. Falakata                  | 1,50,000                  |

|           |                 |                 |
|-----------|-----------------|-----------------|
| Howrah    | 30. Demgar      | 1,00,000        |
|           | 31. Sheoraphuli | 2,00,000        |
| Midnapore | 32. Kolaghat    | 1,00,000        |
|           |                 | <hr/> 87,00,000 |

It will be evident from the arrival figures above, that about 45% of the total marketable surplus is concentrated in these assembling centres. These centres where wholesalers, Aratdars, commission agents, mill agents etc., dominate, own baling plants and bale jute in Kutcha bales ( $3\frac{1}{2}$  to 4 mds.).

For Calcutta market dependable data is not available. Out of important loose jute markets in Calcutta, i.e. Cassipur, Shyambazar and Hotkhola, Cassipur alone handles about 60 lakh maunds yearly. During August, 1961, arrivals in Calcutta loose jute market out of new crop of 1961-62 were 4.70 lakh maunds.

## ANNEXURE V

### Statement For Jute Prices at Calcutta

| <i>Month</i> | <i>Per Maund</i>         |                          |                          |                          |                          |                          |
|--------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
|              | <i>1958</i>              |                          | <i>1959</i>              |                          | <i>1960</i>              |                          |
|              | <i>Maxi.<br/>Rs. nP.</i> | <i>Mini.<br/>Rs. nP.</i> | <i>Maxi.<br/>Rs. nP.</i> | <i>Mini.<br/>Rs. nP.</i> | <i>Maxi.<br/>Rs. nP.</i> | <i>Mini.<br/>Rs. nP.</i> |
| January      | 32.70                    | 21.80                    | 27.00                    | 17.85                    | 33.45                    | 27.35                    |
| February     | 28.25                    | 20.18                    | 23.56                    | 17.25                    | 32.12                    | 27.43                    |
| March        | 27.75                    | 20.87                    | 24.12                    | 18.25                    | 34.12                    | 29.81                    |
| April        | 29.18                    | 22.37                    | 23.75                    | 17.95                    | 37.90                    | 33.00                    |
| May          | 29.15                    | 22.25                    | 23.75                    | 18.10                    | 49.50                    | 45.37                    |
| June         | 28.25                    | 21.20                    | 24.68                    | 18.62                    | 45.50                    | 40.18                    |
| July         | 29.25                    | 22.18                    | 24.85                    | 20.10                    | 40.50                    | 34.10                    |
| August       | 29.00                    | 21.90                    | 25.06                    | 20.75                    | 43.12                    | 35.75                    |
| September    | 26.68                    | 21.12                    | 25.25                    | 20.81                    | 48.00                    | 41.50                    |
| October      | 25.70                    | 20.75                    | 25.45                    | 21.15                    | 54.85                    | 39.87                    |
| November     | 25.06                    | 19.43                    | 26.37                    | 21.75                    | 53.99                    | 48.31                    |
| December     | 23.68                    | 18.31                    | 31.93                    | 27.06                    | 52.50                    | 47.70                    |