



**DISTRIBUTION OF FERTILIZER IN COOPERATIVE
MARKETING SYSTEM
(SPECIAL REFERENCE C.G. STATE CO-OPERATIVE MARKETING
FEDERATION)**

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ABSTRACT

Agricultural co-operation and distribution of fertilizers Agricultural work in India is very active and dense. The distribution of chemical fertilizers in India is chiefly done by cooperative societies in resent. The network comprises of 29 state level organisations, 171 district level marketing societies and nearly 66200 village level cooperative societies. The main function of C.G. state cooperative marketing organization is to provide high quality chemical fertilizers to the farmers at a proper price. It is operated by the medium of primary credit cooperative societies. The duty of the marketing organization is to provide high quality pesticides at a considerable price at the right time. From 2007-08, a state of lack of phosphoric fertilizers has developed. To cope up with this situation, C.G. government, along with Markfed has made nodal agencies. The proper distribution by management of the responsibility is insured by Markfed.

KEYWORDS:-Cooperative Marketing, Agriculture, Marketing Society, Chhattisgarh Markfed, fertilizers

Introduction - Chhattisgarh State co-operative Marketing Federation

The Chhattisgarh State Cooperative Marketing Federation (MARKFED) is an apex level federation of cooperative marketing societies in the State of Chhattisgarh. Chhattisgarh Markfed, Raipur (Registration No. 216 dated 31.10.2000) came into existence simultaneously with the creation of new Chhattisgarh State on 1st November 2000. Markfed executes the work of paddy procurement under price support scheme and supply of chemical fertilizers and plant protection material to the farmers of the state as per the instructions of Government. Chhattisgarh Markfed has an extensive network of 40 branches in the state (1) One Head Office (2) Sixteen District Marketing Offices (3) Membership 463 Cooperative Marketing Societies. District offices are located at almost all the district headquarters. These offices undertake bulk of business and are well equipped with infrastructure and are manned with experienced staff.

Meaning of Co-Operative Marketing– Co-operative Marketing are the type of organisations which are based on co-operation sectors with the soul motive providing profit to the farmers where they co-operate to sell their products . In other words, co-operative marketing is the collective effort of producers to meet up the demands of the consumers actually, every marketing procedure based on co-operation falls under co-operative marketing . In understandable words, the co-operative marketing of agricultural goods is practiced to facilitate the personal needs of the farmers. In commutative basis, co-operative marketing is always better than personal marketing which profits both the consumer and the producer.

Agricultural co-operation and distribution of fertilizers - Agricultural co-operation and distribution of fertilizers Agricultural work in India is very active and dense. Agricultural co-operatives main functions include distribution of chemical manure, pesticides are agricultural equipments. The co-operative movement step its foot on 1905 in India and until 1939, the farmers were given the privileges of loan. After sometime, this activity was transformed by providing consumer goods to the rural areas. After this, the distribution of fertilizers were done according to the suggestions of various cooperative societies. The roles of cooperative societies were improvised thence. Today cooperative organisations are playing an important role in distribution of fertilizers. They are indulged both in productions well as in the

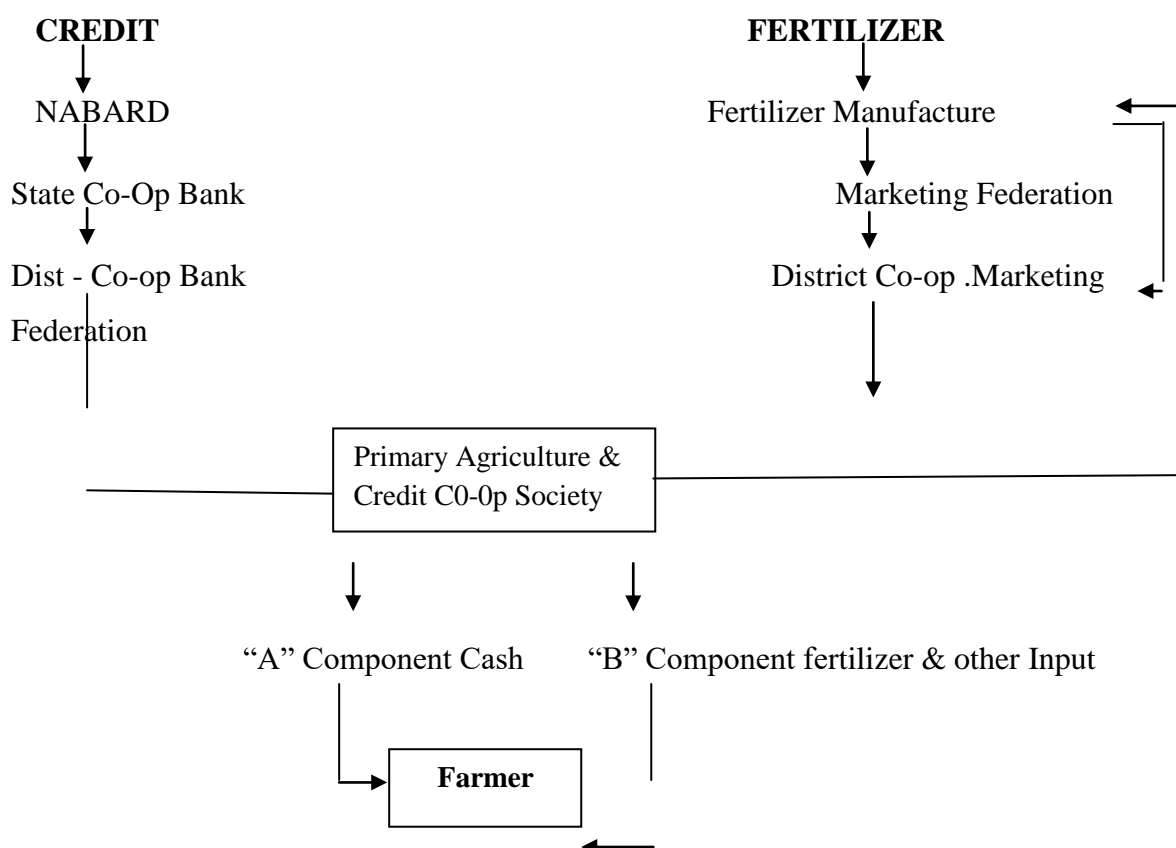
distribution of fertilizers. One of the leading examples of cooperative fertilizer production is krishak Bharati Cooperative Limited. (KRIBHKO)

The distribution of chemical fertilizers in India is chiefly done by cooperative societies in resent. The network comprises of 29 state level organisations, 171 district level marketing societies and nearly 66200 village level cooperative societies. The village level societies are known as Primary agricultural credit societies. These societies are back bone cooperative marketing. 95 to 97 % of farming based families come under these societies. State agricultural department state agricultural production developments have the responsibility of fertilizer distribution.

provided to the farmers as a loan from the Primary Cooperative Credit societies.

GRAPH

Flow of Production Credit and Fertilizer to the Former through co-operative System



As projected on the chart, the two chief channels are credit and chemical fertilizers. The credit is provided by NABARD to the cooperative banks (Apex Bank). The district level cooperative banks and central cooperative banks get their loans from cooperative banks. The primary level societies are provided credit by District Cooperative Banks. These societies provide loans to the members in two ways. The first one is cash and the second is commodity loan (fertilizers, pesticides). Lack of fertilizers were

Role of fertilizer in agricultural productivity

Agriculture is the base of Indian economy. The life stream of India lies in the villages and the soul of country is agriculture. The 16.5% of GDP is provided by agriculture. Chattisgarh has 13.35% of contribution in agriculture. The country's 70% population is assimilated in agricultural work, both partially and impartially. The dependency on food is the part of agricultural policy in India. It was 52000 tonnes on 1951-52 and is raised to 109 million tonnes in 1996-97. As on 31st March, 2011, India's population has increased to 1.21 billion. At this level of population, 208 million tonnes of food will be needed. It's not a child's play to raise the production. Fertilizers play a dominant role in agricultural production. The ratio of man and land is decreasing at a considerable rate and it can only be met by production of food at a larger scale. To boost up the agricultural production, modern food production is the only way. It can be adopted by the means of chemical fertilizers, high productivity seeds and pesticides equipments. Chemical fertilizers are costly, chiefly the phosphate and the potash ones which were decontrolled on 25th August, 1992. The subsidy on urea by the government of India is considerably low. High productivity can never be achieved until balanced nutrition is provided.

Distribution of chemical fertilizers by C.G. state cooperative marketing organization

The main function of C.G. state cooperative marketing organization is to provide high quality chemical fertilizers to the farmers at a proper price. It is operated by the medium of primary credit cooperative societies. The fertilizer producers first give their products to the state cooperative marketing firm and then it is primary cooperative societies.

Pesticides are mixture of chemical or biological components which are used to control insects and their harmful effects on crops. They are used to save the plants in the field of agriculture. The distribution of pesticides at a proper price to the cooperative societies is done by Markfed. The state administration has given Seed Corporation the duty of pesticide distribution which resulted in the slowing of distribution.

Role of marketing organization in fertilizers distribution

The duty of the marketing organization is to provide high quality pesticides at a considerable price at the right time. From time immemorial, Markfed is distributing fertilizers according to the norms of Indian Government Article Act. In C.G, fertilizer distribution is done by both government and private sectors. Markfed buys phosphoric, nitrogen and potash fertilizers from the importers and producers and by the aid of a release order issued by District Cooperative Banks, it stores it in its 103 fertilizer godowns. It also provides Gypsum and Zinc sulphate by keeping in mind the lack of remote protein elements.

From 2007-08, a state of lack of phosphoric fertilizers has developed. To cope up with this situation, C.G. government, along with Markfed has made nodal agencies. The proper distribution by management of the responsibility is insured by Markfed. Due to this the national deficiency of chemical fertilizers are meeting their needs. The marketing organization is working as a wholesale trader in the state. The chief features of chemical fertilizer business is -

- (1) Availability of fertilizers in the state at an equal price
- (2) Establishment of 103 store houses by the marketing organizations.
- (3) Distribution of fertilizers to the farmers by the means of 1333 primary agricultural cooperative societies and 102 marketing cooperative societies.

OBJECTIVES OF STUDY

- 1 study of work and capacity of marketing Federation in chemical fertilizer distribution in Chhattisgarh.
- 2 study of cooperative marketing system of distribution of chemical fertilizer.
- 3 study of role of Markfed in distribution of chemical fertilizer in Chhattisgarh.
- 4 To identify major problems and offer suitable suggestions to overcome the problems identified.

FIELD SURVEY / SAMPLE DESIGN OF THE STUDY

The present study is survey based it attempts to explore the cooperative marketing. For the study 40 PAMS have been selected from district Raipur, Kabirdham, and Durg and from

each PAMS 10 respondents have been selected by adopting simple random sampling. Thus 400 respondents were selected.

PERIOD OF STUDY

For collection of the secondary data on Chhattisgarh Markfed, Five years from 2007-2008 to 2011-2012 were taken as reference period.

AREA OF STUDY

The study is based on the cooperative marketing and Chhattisgarh Markfed. Therefore, study covers Chhattisgarh State specially related to Raipur Division for to the fulfilment of objectives of the study.

RESEARCH METHODOLOGY AND DATA COLLECTION

The present study is empirical in character based on the analytical method. The performance of the Chhattisgarh Markfed has been analysed with the help of key performance indicators. The present study is based on the secondary data published by Chhattisgarh Markfed as well as primary data. The required primary data were collected from the members and actual own experience in the field and discussion with all concerns. The required data and literature for the study purpose were collected from the number of reference books, Journals and Internet.

Latest system of fertilizer distribution by the state government

From past years, farmers are relying on chemical fertilizers and a considerable growth is seen. But the need of chemical fertilizers is not meeting the time graph. The state government has introduced a decision in which the chemical fertilizers are being brought in advance from the month of February to June. For this, the state government has declared 511 primary cooperative societies as fertilizer storage centres which are situated in main roads. The farmers will get in advance distribution only if the transportation cost is under control. Changes are being made by the registrars by the aid of cooperative societies and present fertilizer policy. In this policy, cheques are issued for chemical fertilizers because the members and farmers will get the amount on the basis of it. The farmers will not be liable to pay the surcharge or interest due in this policy. After the computerization of this system, the needs relating to fertilizers and its information can be met. To make the fertilizers available to the farmers at the right time, advanced purchasing is done by the marketing organizations. To

maintain the partiality in fertilizer distribution process, computerization is being developed now.

Number of fertilizer distribution centre of Markfed in Raipur sambhag

As on 31 March, 2013

S.No.	Name of District	Total centre
1	Raipur	20
2	Mahasmund	5
3	Durg	11
4	Dhamtri	5
5	Kawardha	3
6	Rajnandgaon	7
Total		51

Source:- cgmarkfed.in

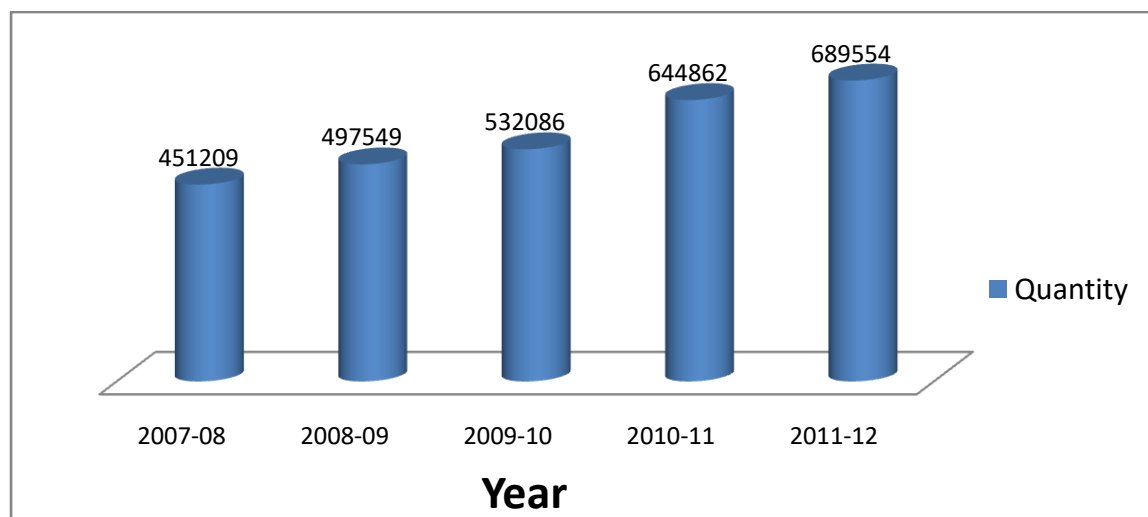
fertilizer distribution by markfed in Quantity

Quantity - in M. Ton

Year	Quantity	Increase or Decreases	% of Increase or Decrease
2007-08	451209	-	-
2008-09	497549	+46340	10-27%
2009-10	532086	+25008	5-02%
2010-11	644862	+118722	22-71%
2011-12	689554	+48275	7-06%

Source:- cg markfed annual publication Report

The inspection of the above tables depicts clearly the progression of chemical fertilizer distribution. In 2007-08, 451209 tones of chemical fertilizer were distributed which increased to 689854 tones in 2011-12. A growth of 1.5% is registered as for the studies. Comparison to the previous years it progressed at the rate of 10.27% in 2008-09, 5.02% in 2009-10, 22.71% in 2010-11 and 7.06% in 2011-12. 2010-11 has the highest rate of progress at 22.71% and the lowest rate of 5.02% belongs to 2009-10.



Table

Fertilizer distribution by marked in Rupees

Amount-in crores

Year	Amount	Compare in previous year Increase or Decreases	% of Increase or Decrease
2007&08	266.85	&	&
2008&09	314.57	+47.71	+17-87%
2009&10	329.15	+14.58	+4-63%
2010&11	415.72	+86.57	+26-30%
2011&12	663.99	+248.27	+37-39%

Source:- cg marked annual publication Report

The table shows that the chemical distribution has constantly increased. A sum of rs 266.85 crores of business of chemical fertilizers were done and it increased to a whopping 663.99 crores in 2011-12 The business of chemical fertilizer distribution saw a progress of 2.5% 2011-12 was the most progressive years with 248.27 crores where it was 14.58 crores, the lowest in 2009-10 percentage progress was 37.39% in 2011 and the decreasing rate was 4.63% in 2009-10

Target and Supply of fertilizer distribution From Markfed

(Quantity - in M. Ton) & Amount in crore

Year	Target		Supply		Supply percent
	Quantity	Amount	Quantity	Amount	
2007&08	540600	383.28	451209	266.85	69.62%
2008&09	532645	314.24	497549	314.57	100.01%
2009&10	640411	380.42	532086	329.15	86.52%
2010&11	703624	446.24	644862	415.72	93.15%
2011&12	695784	455.77	689554	663.99	145%

Source:- CG markfed annual publication Report

The statistical analysis clears the fact that how the need of chemical fertilizers were met by marketing organization. It goes respectively 2007-08 , 2008-09 ,2009-10 ,2010-11 , and 2011-2012 – 66.62% ,100.01% ,86.52% ,93.15% and 145% more then the target needs were met during 2008-09 and 2011-12 the distribution of fertilizers were satisfactory during the last years . In 2011-12 Its 145% and in 2007-08 it was 69.62% which is impeccable

OBSERVATIONS AND DISCUSSIONS

From the field survey report the following parameters / indicators conclude the observation and analyse

Parameters / Indicators of Analysis

timely availability of fertilizer	194 (48.5%) Positive	195 (48.75%) Negative	11 (2.75%) cant say	400(total)
sufficient quantity of fertilizer	180 (45%) Positive	208 (52%) Negative	12 (3%) cant say	400(total)
quality of fertilizer	349 (87.25%) Positive	38 (9.5%) Negative	13 (3.25%) cant say	400(total)
price of fertilizer	342 (85.5%) Positive	42 (10.5%) Negative	16 (4%) cant say	400(total)
Free of black marketing	327 (81.75%) Positive	61 (15.25%) Negative	12 (3%) cant say	400(total)

Source : Primary data collected from fieldwork (Survey Data)

Conclusion – Analysis of table it is clear that in C.G. farmer are going to free from black marketing of chemical fertilizer. Chemical fertilizer for agriculture work is available in fair price to farmer. But chemical fertilizers are not available to farmer sufficient quantity as per their requirement. In cooperative marketing base chemical fertilizer distribution system farmer benefiting .but more reforms needed in the said system

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