

Principles of Fisheries Marketing & Co-operations

Introduction :-

In this chapter, we are going through detail about the market for fisheries and cooperation. Marketing part recognized from various points of view like types of marketing, general principles of marketing, different methods of marketing, functions of marketing, marketing survey with their importance and method.

Along with these marketing, points we are discussing cooperative marketing which includes aims and the objective of cooperative marketing.

After that, we are discussing the history of the cooperative movement in India, the structure of cooperative marketing with basic functions of fisherman's cooperative societies. At last, we discussed the advantages of a cooperative society and about causes of slow progress in this marketing.

1.1 Market

Definition :- Market means entire region (not only a place) where a commodity is brought and sold. i.e. area for potential exchange.

Types of Market

Market are recognised from various point of view.

1) Primary Village Market

- Weekly bazar is the example of primary market.
- Fishermen who need immediate return of their product sell here.

2) Secondary Market

- These markets are in towns or cities and called regular market.
- Producers or agents sold, their product to wholesalers in such market.
- These are organised market and called mandies or peths.

3) Terminal Market

- Terminal market are run by the trade associations.
- Such markets are existed only in cities like Mumbai, Kolkatta, Chennai etc.
- In these market goods are collected from interior market and mainly deal in export deal.

Market can be recognised as **wolesale** market and **retail** market on the basis of quantity of goods sold.

- Market can be distinguished on the basis of type of product sold,
e.g. Fish market, Cotton market, Vegetable market, Grain market etc.

1.2 General Principles of Marketing

Definition :- Marketing is the process of exchanging wants satisfying goods and services and determination of their value in terms of money.

The process include all economic activities like standardisation, grading, packing, fast transport, insurance and ware house facilities involved in movement of (fish) goods from producer to the final consumer.

Thus marketing is the total system of inter acting business activities to designed plan, price, promote and distribute human wants satisfying goods and services to the present and potential customer.

1.2.1 Concept of Marketing

- It includes all activities concerned with effective changes in ownership and production of goods and services.
- It is the creation of time, place and public utility.
- It is the process through which human wants are satisfied by exchange of goods and services.
- It is a sum total of those activities that take place in getting goods into the hands of ultimate consumers.
- It include those business activities which are necessary for the flow of goods and services from production centre to the areas of consumption.
- 6) It is the process of balancing the consumer satisfaction, company's profits and social interest.
- 7) Marketing is not only buying and selling of goods and services but also building cordial relations with consumers.
This is the modern concept of marketing.

Marketing Methods

There are four marketing methods in the world.

- 1) Direct marketing method
- 2) Indirect marketing method
- 3) Co - operative marketing method
- 4) State or Govt. Marketing Method

1) Direct marketing method

- In this method producer himself sell his goods or services to customer.
- Hence there is no involvement of middle man.

e.g. Doctor to patient, Engineer to contractor, Milkman to household Tata, Birla, Corona to customer. Tata, Bata, Corona always make sell of their products to customers directly through their own shops.

- Sell may be through chain stores, central depots, travelling agencies etc.
- These all are the different media of selling their products.
- In the same way the milk man use to sell his product personally to the consumer without involvement of other person.
- By this method producer receives more benefit and consumer receives quality product along with satisfaction.

2) Indirect marketing

- In this type of marketing different agencies are involved.
- All these agencies are observed between producer and customer hence called intermediaries.
- They are known as wholesaler, retailer, transporter, warehouseman etc.

3) Co - operative marketing method

- This method is evolved to eliminate the middle man.
- In this method persons from weaker section of the society come together and work combinely for purchase or sell.
- In this method service motto is important and not profit motto.

4) State or government method

- This method is adopted in all communist countries.
- It is observed in other countries too, for distribution of scare goods e.g. kerosin, sugar etc. through Govt. shops.

1.2.2 Functions of Marketing

- Marketing function is defined as an act or services by which original producer and the final consumers are linked together.
- Thus marketing function consists of all those efforts and activities, necessary to deliver the goods to the final user.
- Marketing functions are classified as under -

1) Function of Exchange

2) Function of Physical Supply

3) Facilitating function

1) Function of Exchange

- It is the first and last function of marketing.
- It consists of i) **Selling** and ii) **Buying**.
- This function is directly concerned with change of ownership of goods and in transfer of title.

i) Selling

- It involves transfer of title and possession from seller to buyer.
- Selling is the heart of marketing.
- In modern days selling is to dispose the product at such rate that producer and consumer both shall benefit.
- It creates and maintain the demand of the product.
- In this activity efforts are taken for impressive selling to potential buyers.
- The main aim of selling is to dispose goods at satisfactory price.
- In the process of selling of fish, the fisher people directly sell the product to consumer or assembling centre by themselves without intermediate agency.
- Fisher may sell the fish at landing centre to intermediaries who take it to the assembling centre.
- The intermediaries may be agent or middle man, boat owners and curers, village merchant and dealers.
- Fish is a perishable commodity hence direct selling from producer to consumer is possible when the market is within a distance of 10 miles from the producing centre.
- Fisher can distribute only small part of fish catch because they have financial limitation.
- Now a days co - operative societies are come up in the place of middle man in the process of exchange.
- Selling of fish is also done by contract method in which the price is fixed before season.

ii) Buying (Assembling) :-

- Buying is the activity of purchasing and goods are assembled by this activity.
- Buying means to purchase right goods at right time at right price.
- During fishing season landed fishes are brought to the nearest buying centre and sold rapidly.
- In this process primary buyer is fisherman and last buyer is commission agent.
- In river fishery, fishermen sell its fish catch to co-operative societies or in the market.
- Fishes captured from reservoir are also sell into the market or to the co - operative society.
- The co - operative societies & wholesalers make species wise, size wise sorting of purchased fish catch.
- Sorted fish stock then dispatched to the market by packing it into bamboo baskets with ice.

Difference between buying and selling

Buying and selling are the activities of the same function i.e. function of exchange.

But these two activities exactly opposite to each other.

Buying (Assembling)	Selling
1) It is the process of collection of goods.	1) It is the the process of dispatching of goods.
2) It is the initial process of the marketing.	2) It is the last process of marketing.
3) Buyers may be producer, wholesaler, retailer or commission agent.	3) Goods are purchased by final consumer.

2) Function of physical supply

Physical supply or distribution of product is a main link between production and marketing.

- Proper planing of physical distribution stimulate and increase demand.
- It also reduce the cost of distribution.
- Physical supply involves.
 - i) Transportation and
 - ii) Storage
- i) Transportation :-**
 - Transportation is a very important function of marketing.
 - It makes the production flow to the point of consumption.
 - Fishes captured in huge quantity are of no use till they are carried to the place of consumption and sold to the consumers.
 - Carrying of the fishes from fishing grounds, assembling centres to the place of consumption is performed by transport.
 - The means of transport used for trasportation of fishes are head loads, shoulder slings using pet animals, bullock carts, boats, motor lorries and rail.
 - Bicycle is a quite popular vehicle for transport of fishes because it is cheap and speedy.
 - Type of transport varies and depend upon quantity and type of fish and distance to be travelled.
 - Special facilities are provided for transport of fish and fish seed on Railways.
 - Now a days aquarium fishes and fish seed are transported through aeroplanes.
 - The containers which are generally used for transport of fishes are a) Baskets, b) Wooden cases c) Gunny bags d) Earthen pots or kerosene tin e) Coconut palmyra and Screw pine leaf - mat f) Plastic bags and h) Fish holds.
 - Large fresh water fishes are transported through gunny bags to nearer market.

- Fresh fishes are packed along with ice in the basket or wooden boxes and then transported to the destination by rail.
- In India packed fishes are dispatched through water transport.
- Water transport is divided into three categories.
 - a) Coastal transport for national and international purpose.
 - b) River transport (mughal line) for national transport.
 - c) Shiping corporation (transport) for national and international transport.

ii) Storage :-

- Storage facility is essential to fulfil the market demand at the proper time.
- Storage co-ordinates, supply with demand with respect to time and place, hence provide time utility.
- Fish and fish products are highly perishable and can not be stored for more than two days even packed with crushed ice or kept in chilled room or cold storage.
- Due to which fish and fish products are disposed to market as quickly as possible even at a smaller margin.
- In order to provide better warehousing facility, a central ware housing corporation and a state ware housing corporation have been established.
- It facilitate convinient transport and preservation of perishable goods such as vegetable, fishes, fruits, meats etc. by cold storage.
- Preservation of perishable goods is now practiced in all states in India but it also required proper storage facility to supply it to consumers in lean period.

3) Facilitating function

- The marketing activity which provide facility for buying, selling, storage, transportation etc. to people involved is called facilitating function of marketing.
- It ensure smooth flow of goods from producer to ultimate customer.
- Facilitating function includes - i) Standardisation ii) Grading iii) Financing iv) Pricing v) Risk bearing vi) Market information and market survey.

i) Standardisation :-

- Standardisation means determination or establishment of standard of product.
- A standard is a measure that is generally accepted because it has fixed value.
- The standard may be of quality, type, durability, form, size, colour, taste, appearance etc.
- Standard is fixed by observing the characters of goods.
- Standard indicates that the goods are of a specifical and uniform quality.
- The stored fish are need to standardise and they should

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- be segregated according to their quality.
- Standard of product must be maintained, for successful sell of product in the market.
- Maintenance of standard of product is the responsibility of manufacturer.
- Hence most of the manufacture have their own quality control department.
- In modern management statistical quality control (SQC) technique is used to ensure the standard of commercial product.

Advantages of Standardisation :-

- It gives confidence to buyers.
- It enables payments to be made according to the quality of fish or product.
- It facilitates dealings in goods without prior inspection.

ii) Grading :-

- Grading means classification of the different products or same product into various classes to which they belong.
- They are classified or sorted according to certain standards of size, shape, colour, texture.
- Grading follows standardisation as both are complimentary to one another.
- Grading of fishes is difficult because they lack uniformity.
- Features of such products vary from one place to other and from season to season.
- Fishes after harvesting are graded specieswise, sizewise etc. and after sorting they sent to the market.
- Standard institute use their trade mark which give guranty of quality.
- The AGMARK is the standardised grade name for the agricultural product.

Advantages of Grading :-

- Sale become easier.
- It gives guranty of quality of product.
- It makes the purches easier by inspection.
- Graded goods command higher price.
- Effective publicity can be given to graded goods.

a) Packing

- Packing means covering or wrapping goods into a package.
- It is very allied function to standardisation.
- In modern marketing the way of representing the goods is more important than production of goods.
- There fore packing has its own importance in marketing function.

➤ The attractive packing is useful to attract customer which helps to promote the sell of the product.

➤ Fishes and fish products are packed in jars, tin containers, plastic containers, cardboard boxes, wooden boxes, straw boxes, gunny bags, bamboo baskets etc.

b) Labelling :-

➤ Standard of product made to known to the customer through labels.

➤ Packages provide a specific place to fix the label.

➤ Label is a medium through which manufacturer give necessary information about nature, content, ownership, distribution of product to the customer.

➤ Label is important in making the packaging and branding meaningful.

c) Branding :-

➤ It is the activity of giving brand (specific) name to a product.

➤ It also includes designing a brand mark, establishing and popularising it.

➤ Packaging, branding and labelling is done for fish byproducts like fish oil, fish meal, frozen fish products, canned fish products etc.

➤ Identity of such products is very important in competition.

➤ Because without a means of identification there is no way of making choice.

iii) Financing :-

➤ Provision of money at the time when it is wanted is called finance and supply of money for marketing process is financing.

➤ For the fish marketing enough finance is needed for construction of fish ponds, rearing of fishes, production of fish seed as well as for purchasing the fish seed, fishing nets, boats, nylon and for reclamation of tanks.

➤ Finance is provided to fishermen interms of subsidy.

➤ Subsidy is non refundable financial assistance given by Govt. as an incentive for promotion of business.

➤ Financial assistance should be return within 6 yrs with one year extra as a grace period.

➤ Finance is given at a low rate of interest through bank Refinance is also given to the marginal and small farmers.

➤ Financial assistance to fisherman is given by -

- 1) State fisheries department.
- 2) Integrated rural development program. (IRDP)
- 3) Fish farmer's development agencies. (FFDA'S)

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4) Nationalize and co-operative Bank

5) Fishermen's co - operative society

iv) Risk bearing :-

➤ It is defined as uncertainty in cost of the product.

➤ It is present in one or other form in all transactions.

➤ Risk causing factors are -

1) Natural cause like flood, storm, fire.

2) Burglary, strike, forgery, wars

3) Improper packing and storage.

4) Accident during marketing activity

5) Loss due to competition, improper of market information.

6) Price fluctuation, difference between

7) Change in taste of consumer.

8) Govt. interference like imposition

of duties, sudden restriction on

➤ Some risk have to be accepted

➤ But risk can be avoided on

effective management.

➤ Risk can be shifted to insurer

v) Market information :-

➤ For the successful marketing

information regarding production

of the product, consumers

in the market, middle man

➤ It gives idea to the marketer

to sell ? and how to sell ?

➤ Because such information

marketing risk.

➤ The scientific method of

of all aspects of marketing

research.

➤ Such informations are

public, retailers, wholesaler

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➤ To ensure the prosperity

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➤ The complex but

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➤ Market survey and

collecting all the

- 4) Nationalize and co-operative Banks.
- 5) Fishermen's co - operative societies.

iv) Risk bearing :-

- It is defined as uncertainty in cost and or loss or damage of the product.
- It is present in one or other form in all marketing transactions.
- Risk causing factors are -
 - 1) Natural cause like flood, storm, draught and unexpected fire.
 - 2) Burglary, strike, forgery, wars etc.
 - 3) Improper packing and storage.
 - 4) Accident during marketing activity.
 - 5) Loss due to competition, improper management and lack of market information.
 - 6) Price fluctuation, difference between supply and demand.
 - 7) Change in taste of consumer.
 - 8) Govt. interference like imposition of customs and other duties, sudden restriction on production or selling.
- Some risk have to be accepted by the manufacturer.
- But risk can be avoided or minimise it by proper and effective management.
- Risk can be shifted to insurance company.

v) Market information :-

- For the successful marketing of the product, correct information regarding product, price, demand and supply of the product, consumers need and desires, competition in the market, middle man, selling method is needed.
- It gives idea to the marketer about what to sell ? where to sell ? and how to sell?
- Because such informations helps to minimise the marketing risk.
- The scientific method of getting the correct information of all aspects of marketing of the product is market research.
- Such informations are collected from consumers, general public, retailers, wholesallers and through different agencies.

1.3 Market Survey

- To ensure the prospects of sell in the market one should know pulse of the market.
- The complex but popular technique of knowing the market conditions is market survey.
- Market survey can be defined as *the process of collecting all the informations of marketing and*

interpretation of it.

- It include collection, recording and analysis of utility and market ability of the product.
- It is to know the nature of demand and competition.
- It gives information about effect of relivent factors involved in the movement of goods from point of production to the point of consumption.

1.3.1 Importance of Market Survey

- It gives real and complete picture of demand, competition, change in demand, position of retirement of the product.
- It gives information about consumers liking and fashion.
- It gives idea to marketer how to minimise the risk.

1.3.2 Methods of Market Survey

The market survey is conducted by following methods.

- 1) Personal interview method
- 2) Mail survey method
- 3) Telephone survey method

1) Personal interview method :-

- In this method surveyer visit to the customer directly. For this he visits the customer at their house, hence also called house to house survey.
- In this method surveyer collect information through personal interview or through questionnaire.

Merits :-

- It provide reliable information.
- It gives specific information.
- It avoid unnecessary information.
- This method is easy & gives accurate information in detail

Demerits :-

- It is not possible to use extensively.
- It is tedious, time consuming and slow process.

2) Mail survey method :-

- By this method market information is collected through correspondance instead of personal contact.
- In this method a questionnaire is send along with letter explaining purpose of study. A request is also made to send the answer.

Merit :-

This method gives information speedly hence can be used extensively.

Demerit :-

- Response of customers very poor.
- Preparation of mailing list is difficult.
- Customer may answer all questions or may not be.
- Answer may not be proper and correct.

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3) Telephone survey :-

- When telephone facility is available the information is collected through calls or telephone interview.
- But it is inconvenient as it is costly.

Merits:-

- It gives immediate response.
- Increased speed.
- Simple & get information personally.

Demerits :-

- Possibility of personal bias.
- Very little time is available to ask and collect information.
- Possibility of annoyance the person.
- Customer who do not have telephone are omitted.
- Out of these three methods the first method is more reliable though it is time and money consuming.
- The collected information is not useful in its original form.
- It is to be tabulated, analysed and interpreted.
- Surveyer must give his concluding report.

1.4 Channels of Distribution

The routes through which goods are move from place of production to the place of consumption are called channels of distribution.

1.4.1 Types of distribution channels

There are two types of distribution channels in fish marketing.

1) Direct distribution channel

- Fish is perishable commodity hence it should be marketed as quickly as possible.
- To avoid spoilage it should be sold even at a smaller margin of profit.
- Distribution of captured fishes from fishermen to consumers without intermediate person is called direct distribution channel.
- For this, fisher himself carry the fish catch on his head or by some type of vehicle and goes house to house or to the nearest retail market to sell it.
- Distribution of fishes by this method fetches good price and fishermen receives entire price.
- This method of distribution is beneficial to both producer as well as customer.
- Since customer get fresh fish at reasonable price and producer get entire cost.
- This channel of distribution is convenient only when fish production is in small quantity.

- When fish production is in large quantity the fisherman has to dispose the stock at very low cost to the consumer due to lack of fast transport and cold storage facilities.
- Fisher perform all marketing functions in this method of distribution and also bear entire market risk.
- Financial position of fisher is not so satisfactory due to which direct distribution method cannot be adopted extensively.

2) Indirect distribution channel

- Distribution of captured fishes from producer to the customer indirectly through intermediate agency is called indirect distribution channel.
- This type of distribution may be through one of the following channels.

i) Producer → Retailer → Customer :-

- This is a short trade channel, in which producer instead of personally selling the fishes to ultimate customer, sell it to retailer.
- In this method fisher get cost of entire quantity but price is low.

- Customer is compelled to pay high price.

- Thus entire profit goes to retailer.

ii) Producer → Wholesaler → retailer → customer :-

- This is the traditional channel of distribution.
- In this channel wholesaler purchase the product in large quantity from producer to sell it to retailers.
- Wholesaler has the facility of storage and preservation.
- He try to sell the purchased stock at higher price.
- The difference between purchase price and selling price is called margin makeup or preservation.
- Thus wholesaler get maximum benefit by selling the product at good price.
- In this method of distribution producer is at loss because he is totally depend upon the wholesaler due to no contact with retailer.

iii) Producer → Processor → Retailer → Customer :-

- This type of fish distribution is carried out at the major centres of fisheries.
- At these centres facilities of processing like gutting, drying, canning, cold storage are available.
- In this method processor gets more benefit and producer usually at the loss.

iv) Producer → Co-operative society → customer :-

- First three methods are not useful to eliminate middle man and improve the economic condition of fisherman and producer.

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- Middleman exploit the producer and
- Co-operative society eliminate middle alternative to middle man.
- Co-operative society collect entire fish from fishermen i.e. members and sell it at
- Society may have facilities of storage hence it can wait to sell at good price
- Some co-operative societies export fish and earn good price.
- The profit is distributed equally among
- Co-operative society serve for members.
- For perishable goods, select the method to facilitate fast disposal of product &
- Competition, characteristics of individual habits are also important in selecting channel.

1.5 Price Structure (Price

- Exchange value of goods or services is called price.
- Price of a good is formulated by other associated costs.
- The other costs are supplementary point, distribution cost as well as publicity.
- In this marketing system major pocket of parasites like middle man
- Neither the producer nor the customer benefit from this system.
- Price of fish and fish products are determined from species to species.
- Price of fishes influences by -
- Type of fish, size, weight and quality
- The tasty fishes like Indian murrel
- Place is also popular in determining price
- Some fishes are popular at certain places
- Hence they get more price at those places
- Rohu get more price in Kolkata or Chennai market.
- Large fishes get more price than small fishes
- Live fishes fetches more price than dead fish in market in living condition and e.g. Murrel, Clarias, etc.

- Middleman exploit the producer and fishermen.
- Co-operative society eliminate middle man thus it is an alternative to middle man.
- Co-operative society collect entire fish from producer or fishermen i.e. members and sell it at good price.
- Society may have facilities of storage and preservation hence it can wait to sell at good price.
- Some co-operative societies export fish & fish byproducts and earn good price.
- The profit is distributed equally among the members.
- Co-operative society serve for the benefit of their members.
- For perishable goods, select those channels which facilitate fast disposal of product & give better price.
- Competition, characteristics of individual buyer and buying habits are also important in selection of distribution of channel.

1.5 Price Structure (Price formulation)

- *Exchange value of goods or services in terms of money is called price.*
- Price of a good is formulated by cost of production and other associated costs.
- The other costs are supplementary cost at middle man point, distribution cost as well as cost of advertising and publicity.
- In this marketing system major part of profit goes in the pocket of parasites like middle man.
- Neither the producer nor the customer is benefited by this system.
- Price of fish and fish products vary from place to place and from species to species.
- Price of fishes influences by -
- Type of fish, size, weight and quality :-
- The tasty fishes like Indian major carps get more price.
- Place is also popular in determination of cost of fishes.
- Some fishes are popular at certain places.
- Hence they get more price at such places.
- Rohu get more price in Kolkatta market than in Mumbai or Chennai market.
- Large fishes get more price than small sized fishes.
- Live fishes fetches more price because they can kept in market in living condition and have more nutritional value. e.g. Murrel, Clarias, etc.

- If the fishes are sold to curers for processing, they paid less than the fresh fishes sold for consumption.
- Distance between production centre and consumption centre also important factor in determining the price of fishes.
- Fishes in fresh condition sold at prevailing price in the territory of 10 - 15 miles from production point i.e. price of fish near the production centre is more than distant places.
- In the competitive market, price is fixed on the twin forces of supply and demand.
- Demand means the quantity of fish that buyers demand will be more at lower price and at higher price less will be the demand.
- Supply means the quantity of fish that will be offered for sale at different price level.
- More quantity is offered for sale at higher prices and less at lower prices.
- Supply and demand fixes the price of fish.
- However for short period, demand influences the fixation of price.
- While in long run the cost of production influences the fixation price.

1.6 Problems in fish marketing

- Fish marketing composed of only surplus catches.
- There is wide fluctuations in supply resulting in wide fluctuating in price.
- Only 40% catches are of good variety and remaining 60% of inferior quality and hence priced less.
- In the marketing system middle man get benefited when price goes up.
- When price declined produced affected.
- Each market has an absorbing capacity and if supply is more the price start to decline.
- If proper marketing and storage facilities are not available the fish have to be sold at uneconomic price.
- The present marketing system is developed by keeping the interest of market intermediaries.
- There should be marketing organization or marketing corporation to improve efficiency of fish marketing.
- It also provide services to consumers as well as producers and can fix up minimum or fixed prices of fishes.

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1.7 Co - operative marketing

The marketing in which all marketing functions are performed by co-operative society is called co-operative marketing.

1.7.1 Aims and objectives of co-operative marketing

- To strengthen the bargaining capacity of the cultivator.
- To secure the better price of product of members.
- To eliminate middleman from the marketing.
- To provide required finance to the members.
- To persuade the farmer to grow better quality of goods.
- To stabilize prices.
- To develop fair trading practices.
- To provide facility of grading and transport.
- To act as an agent of Govt. for procurement and implementation of price support policy.
- To promote the economic interest of its members by encouraging self - help and better farming among them.
- To act distribution centre for agriculture requisites.
- To help the expansion of co-operative credit programme by linking marketing with credit.

Co - Operative Society

It is a form of organisation in which persons voluntarily associated together as human being on the basis of equality for promotion of their economic interest.

1.7.2 Co - operative movement in India

- In modern marketing middle man play important role and his malpractices put both consumer and producer into loss.
- Two alternatives are applied to avoid the malpractices of middle man.
- One alternative is organised market and other is co-operative market.
- In organised market activities of middle man are only controlled.
- Where as in co-operative market middle man is completely eliminated.
- In co-operative market all functions are performed by co-operative societies.
- In co-operative marketing there is direct link between the producer and consumer.
- This is the ideal alternative to stop the exploitation of producer and consumer.

1.7.3 Importance of co - operative marketing

- 1) Co - operative marketing eliminate middle man from marketing.
- 2) It involve direct marketing.
- 3) Marketing cost of products is low.
- 4) The producer and consumer both get maximum return.
- 5) It enhance the moral of its members.

1.7.4 History of co-operative movement in India

- Co-operative movement started in India after passing the co-operative credit societies act in 1904.
- It was felt that for the improvement of agriculturist provision of easy financing is not sufficient but selling of their product at moderate rate was essential.
- From this point of view in Hubli and in Bombay first cotton co operative marketing society was formed. Later on co-operative was given to the states.
- In 1910-1915 some credit co-operatives existed at Malabar coast.
- The main aim was provide short loan to them to get free from middleman.
- By 1944 - 61 there were 200 fishermens co-operative societies in India.
- During fourth five year plan state Govt. has adopted policy of long term lease to fishermen's co-operative at concessional rates.
- In 1978 there were 4429 fisherman cooperative in India out of them 4358 were primary societies, 62 federal and 9 apex.
- In June 1980 there were 5831 primary co-operatives in India.
- In India M.S. is a leading state in co-operative marketing.

1.7.5 Structure of Co-operative marketing

Co-operative marketing established at different levels

- 1) Primary co-operative marketing at village or mandi level
- 2) Central or district co-operative marketing at district level
- 3) State marketing federation at state level.

This type of co-operative marketing system is called three tyre system.

- In some states two tyre system is practiced.
- In the two tyre system primary co- operative marketing at village level and state co-operative federation at state level have been established.
- The central or district co-operative marketing is the only connecting link between primary co-operative & state co-operative.

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- Primary co-operatives are the member co-operative and it inturn the member co-operative and it inturn the member co-operative and it is govern in two tyre system.
- The state federations work as agent primary societies.
- In M.S. marketing of cement, steel through two tyre system.
- At national level, national agricultural marketing federation have been established at international level.
- The state federation are the main agricultural co-operative marketing.

1.7.6 Functions of fishermen's co-operative**1) Functions of Primary society**

- It provide required essential services to members.
- It provide financial assistance to members.
- It helps to replacing the existing equipment.
- It brings latest technique to the members enable them to achive their objectives.

2) Functions of District federation

- It helps to primary societies to achive their objectives.
- It channelise assistance from apex to primary societies.
- It works for benefit for primary societies in the marketing.

3) Functions of Apex (state federation)

- It secure necessary assistance to primary societies maintaining contact with state department.
- It gives required finance to primary societies.

1.7.7 Features (or characteristics) of co-operative society**1) Voluntary Association**

- It is an association of persons.
- Any person can become the member of the society irrespective of religion.
- There is complete freedom in becoming the member of a co-operative.
- He can join as a member of a co-operative without compulsion.

- Primary co-operatives are the members of the central co-operative and it intum the member of state federation.
- Actual functions of marketing are performed by primary co-operative society and it is governed by state federation in two tyre system.
- The state federations work as agency for Govt. through primary societies.
- In M.S. marketing of cement, steel, cottom etc. is done through two tyre system.
- At national level, national agricultural co-operative marketing federation have been established for marketing at international level.
- The state federation are the members of national agricultural co-operative marketing federation.

1.7.6 Functions of fishermen's co-operative societies

1) Functions of Primary society

- It provide required essential services and supplies to the members.
- It provide financial assistance to the members.
- It helps to replacing the existing units.
- It brings latest technique to the notice of members and enable them to achive their objectives.

2) Functions of District federation

- It helps to primary societies to achive their objective.
- It channelise assistance from apex to primary society.
- It works for benefit for primary societies by organising the marketing.

3) Functions of Apex (state federation)

- It secure necessary assistance to district federation by maintaining contact with state Govt. and fisheries department.
- It gives required finance to primary societies and district federation.

1.7.7 Features (or characteristics) of co -operative society

1) Voluntary Association

- It is an association of persons and not of capital.
- Any person can become the member of co-operative society irrespective of religion, language, caste.
- There is complete freedom about becoming or not becoming the member of a society.
- He can join as a member at his own free will and wishes without compulsion.

- He can leave society by giving due notice as and when desire.
- The right and opportunity of becoming a member is not denied to any one.

2) Equal voting Rights

- Equality of voting rights is the main principle of co-operative organisation.
- Every member enjoys only one vote irrespective of number of shares held by him.
- One man one vote is the principle accepted by an organisation as it has a democratic management.

3) Democratic Management

- A co-operative society is managed on democratic principles.
- Every member has only one vote.
- Every member has a right to participate in management by getting elected on the governing body.

4) Service Motive

- The main objective of a co-operative society is not profit but service to its members.
- It is formed mainly for the promotion of service and welfare of the society.

5) Distribution of Profit

- Although earning of profit is not the main objective of co-operative society.
- Even though it must make some profits, if it is run properly.
- After making provision for statutory reserves and other funds, a fair rate of dividend is paid to the members.
- Dividend is paid to the members according to maximum limit fixed by the Act.
- Profits of co-operative are disposed in following manner.
 - a) Dividend at a maximum rate of 15% may be allowed on shares.
 - b) 25% of the profits are transferred to general reserve.
 - c) About 10% of the profits may be utilised for welfare of the locality in which the society is situated.
 - d) Certain portion of profit may be given as bonus to employees.
 - e) In consumer society surplus may be given as bonus on purchases made by each member.

6) Cash Trading

- In co-operative organisation all transactions are carried on cash basis.
- Trading on credit is discouraged.

7) State control and corporate status

- A co-operative society has to be registered under the co-operative societies Act, 1912 or under the state co-operative societies Act.
- The co-operative organisation attains a co-operative status once it is registered under the prevailing Act.
- The co-operative society is under general control and supervision of the state.

8) Political and Religious Neutrality

- Unity is of prime importance for the smooth running of the society and achieving its aims.
- This principle implies with brotherhood irrespective of differences in political and religious ideologies of members.

9) Education

- All those members involved in co-operative movement need education.
- It is essential to give education and training to the members, office bearers, executives and employees of organisation.
- It is also essential to give public education through publicity and propaganda in order to spread the co-operative philosophy, its working and its outlook.

10) Co-operation Amongst co-operatives

- Maximum possible mutual help and co-operation requires between co-operatives at different levels and in different sectors.
- Co-operative organisation can face monopolies only through mutual co-operation and attain success in different sectors.

11) Limited Liability

- Liability of members is limited to the face value of shares subscribed by them.

12) Bye-laws

- Bye-laws are the rules and regulations governing the working of a co-operative society.

13) Continuous life

- A co-operative organisation has a continuous life,
- It has separate legal entity.

- It's continuity is not affected by any thing happening in the life of a member.

1.7.8 Advantages of co-operative Society

Co-operative society (organisation) enjoy following advantages.

1) Easy formation

- The formation of a co-operative society is easy.
- As it does not involve much legal formalities like the joint stock companies.
- Any ten members, major in age can join together form co-operative organisation.

2) Open membership

- Membership of a co-operative society is open to all irrespective of cast, religion, political affiliation etc.
- Any person can join this organisation and avail of its services to his own benefit.

3) Democratic management

- The Co-operative society is managed by the elected representatives.
- Every member of the society has a right to vote.

4) Voluntary organisation

- Co-operative society is a voluntary organisation.
- Nobody is forced to join the organisation.

5) Limited liability

- The liability of the members is limited to the extent of their capital contributions.

6) Low price

- The members of a co-operative society can get their requirements at reasonably low prices as profit margin of co-operative organisation is small.

7) Tax Concessions

- The tax concession and tax exemptions below certain amount of income are allowed to the co-operative organisation by the state.

8) Suitable for weaker section

- Co-operative organisation is suitable for economically weaker sections of the society for their economic problems and improves their living conditions.

9) Social Desirability

- Co-operative organisation tries to work for the benefit among the members.
- It enhances the spirit of mutual help and is socially conscious.

10) Reduction in concentration

- It acted as strong check on the profiteering, adulteration, black marketing, reducing the concentration of wealth in few hands who are in habit of exploitation.

11) Low cost of operation

- Cost of operation of a co-operative organisation is low.
- Because no salaries are paid to office bearers, men involved, no advertising expenses.
- Reduced cost of operation increases the profit.

1.7.9 Causes of slow progress of co-operative marketing in India

- The co-operative marketing organisation is not properly organized for agricultural goods.

9) Social Desirability

- Co-operative organisation tries to bring social awareness among the members.
- It enhances the spirit of mutual help and makes members socially conscious.

10) Reduction in concentration of Economic power

- It acted as strong check on the evils of monopoly, profiteering, adulteration, black marketing etc by reducing the concentration of wealth and income in few hands who are in habit of exploiting the masses.

11) Low cost of operation

- Cost of operation of a co-operative society is low.
- Because no salaries are paid to office bearers, no middle men involved, no advertising expenses are incurred.
- Reduced cost of operation increases profitability.

1.7.9 Causes of slow progress of co-operative marketing in India

- The co-operative marketing in India is mainly for agricultural goods.

➤ In other field it could not dominate because of -

- 1) Lack of capital
- 2) People do not invest high budget due to poverty.
- 3) Lack of honesty in workers.
- 4) It comes from the Govt. and not from the people.
- 5) There is no voluntary force.
- 6) Workers are not trained.
- 7) Poor management
- 8) Oppose of private merchants.
- 9) Mismanagement and misappropriation.
- 10) Increased quantity but decreased quality.

1.8 Remedies for improvement

- i) Govt. should help in the form of subsidy, loan and share capita etc.
- ii) Provision of ware house should be made available.
- iii) Proper co-ordination in functioning of co-operative marketing should be maintain.
- iv) Training facility should be made available.
- v) Made the sell of product compulsory through societies.