

Strategic Analysis of Thoothukudi Agricultural Producers Cooperative Marketing Society (TAPCMS)

Dr. V. Alagu Pandian

Faculty Member, Institute of Cooperative Management, Madurai

Abstract- This strategic analysis delves into the Thoothukudi Agricultural Producers Cooperative Marketing Society (TAPCMS) operations and performance by focusing attention on its objectives, business activities, initiatives, strengths, weaknesses, opportunities, and threats (SWOT) by utilising data obtained directly from TAPCMS, the analysis examines various facets such as sales, procurement, credit schemes, and societal initiatives like Farm Fresh Consumer Outlets and Amma Medicals. The SWOT analysis highlights internal strengths and weaknesses alongside external opportunities and threats, providing a comprehensive understanding of TAPCMS's strategic landscape. Recommendations aim to bolster TAPCMS's operations, ensuring better service delivery and increased member satisfaction. The study assesses TAPCMS's functioning, identifies major areas for improvement, and offers recommendations to enhance its operational efficiency. Overall, this analysis is a valuable resource for stakeholders involved in cooperative marketing societies, offering insights into sustainable growth and development strategies.

INTRODUCTION

Agricultural sector constitutes to be the most dominant sector in Indian economy particularly in rural India. Even today agriculture in India is greatly dependent on monsoon and traditional farming methods. Need of finance and marketing assistance is a challenge faced by farmers. In order to address these issues the government has taken several initiatives for establishment of primary co-operative societies, taluk level co-operative societies and Thoothukudi Agricultural Producers Cooperative Marketing Society (TAPCMS) in one the best performing TAPCMS in the State of Tamilnadu and it provides various marketing facilities and financial assistance to farmers. It has been established mainly to eliminate the monopoly roles and to control the middlemen and cut-throating competitors between the line of production and sales.

In India, evolution of co-operative marketing is as old as the Co-operative Societies Act of 1912, which recognized non-credit forms of co-operation, including marketing. The first market society started in India was the Kumbakonam Agricultural Society in 1913, which supplied seeds, manures, implements and arrangement of sale of the products of its members. In the year 1915 and 1917 two Marketing Co-operative Societies were formed at Hubli and Gadag respectively. The basic objective was to encourage the cultivation of improved cotton and sell it collectively.

The State of Tamil Nadu occupies an important place in the history of cooperatives since the first cooperative societies for agricultural loan and consumer stores were established in Tamil Nadu. The cooperative societies play a vital role not only in agricultural development and consumer service, but also in sectors such as housing, textiles, dairy and fisheries which contribute significantly to the economic development of the state. At present there are 112 Agricultural Producers Marketing Cooperative Societies are functioning in the State of Tamil Nadu. Tamil Nadu Cooperative Marketing Federation is the apex institution of cooperative marketing societies in all the districts except Nilgiris, Thanjavur, Tiruvarur and Nagapattinam. Thanjavur Cooperative Marketing Federation is functioning as apex society for the cooperative marketing societies in Thanjavur, Tiruvarur and Nagapattinam districts

Objectives of the Agricultural Producers Cooperative Marketing Society

The main objectives of the Agricultural Producers Cooperative Marketing Society are as follows.

- Selling agricultural produce produced by farmers at good prices through auction.
- Providing grain compensation on agricultural products
- Reimbursement of crop loans provided by Primary Agricultural Cooperative Credit

Societies from the product sales amount carried out through the Credit Sales Linkage Scheme.

- Selling agricultural inputs to farmers at low prices.
- To eliminate speculation and waste and make agricultural product distribution more efficient
- Marketing of agricultural products as directly as possible between producer and consumer and stabilises agricultural production marketing.
- Makes attempt and ensure that the producer receives a large share of the profits.
- It involves in storing, transporting, and processing; consumers want farm goods in the form, at the time, and in their desired location.

Objectives of the Study

The major objectives of the study are as follows

- To analyse the working performance of Thoothukudi Agricultural Producers Cooperative Marketing Society.
- To analyse the Strengths, weaknesses, opportunities, and Threads of TAPCMS.
- To make appropriate recommendations based on the study's findings.

Profile of the society

O.831 Thoothukudi Agricultural Producers Cooperative Marketing Society (Limited) Registered (No.O.831) under the Tamil Nadu Cooperative Societies Act on 10.01.1933, the same day the Society started its work and the areas of operation includes Thoothukudi, Thiruvaikundam, Tiruchendur, Eral, Ottapidaram, and satankulam of six taluks of Thoothukudi districts are included in the area of operation of the Society. All the farmers living on the border of six taluks will be included as members of the Society. At present, the Society has 13,287 members in 2019-20, with a share capital of 19.29 lakhs share capital and a Government share of 10 lakhs.

Objectives of the TAPCMS

- Sale of agricultural produce
- Procurement and sale of agricultural produce
- Automatic lending
- Credit scheme with sales
- Consumer-affiliated marketing plan
- Providing jewellery loans.
- Public Service Center under the District e-Governance Scheme.

- Primary Association under the Public Distribution Scheme and acting as a self-igniting association,
- Selling uncontrolled goods

Business Activities

Within its business boundaries, the Society buys its agricultural products in cash from members and sells them in the open market.

- Sale of Members' agricultural products as an agent.
- Lending Pledge loans By obtaining the agricultural products of the members
- The Society has set up a security room with a door to distribute Jewel loans.
- We are selling sugarcane by the Society during the Pongal festival.
- Selling fertilisers to farmers

Public Distribution System

Since 1990, the Society has been the principal Society in Thoothukudi and 78 fair-price shops are functioning across Ottapidaram taluk. It distributes essential commodities above other specialities required by the public through fair price shops. It also involves in the public distribution system materials. Through this Society it runs shops there are 25 Fair Price shops are functioning in Thoothukudi Corporation

Kerosene Supply Centre

This centre is providing services to the 9463 ration card holders and 15 Fair Price Shops are attached to this Centre and per day it distributes kerosene to five hundred ration card holders.

Cotton Mill

The society is having two cotton mills and one is functioning in Thoothukudi and another one is at Kadampur and both mills are not functioning for the last ten years

Warehouses

The Society owns three warehouses in Thoothukudi and three warehouses in Kadampur and among the three the financial health of the one warehouse is not up to the mark. Its total capacity is 2713 MT, including three warehouses, which are faulty. Its capacity is 1300 MT. The warehouse has been completed with a capacity of 500 MT at the Kadampur branch under the RIDF project. Kadampur

warehouse has been providing security for farmers' produce on a rental basis.

Societies Fund Position

The funds position of the society includes share capital contributed by the members, by the State Government, loans from district Central Cooperative bank, shares received from the Integrated Cooperative Development project scheme etc.,

New Projects to be Implemented by the Society

- Setting up a banana, banana leaf auction centre
- Peanut oil from wood check activity through Tiruchengode Agricultural Production Center is being taken to produce gingelly oil.
- Thoothukudi Headquarters Vacancy and Vagaikulam Petrol Station, in collaboration with Indian Oil Corporation, are taking steps to get started.

New initiatives

The Agricultural Producers Cooperative Marketing Society also runs Farm Fresh Consumer Outlets and Amma Medicals.

Farm Fresh Consumer Outlets

Farm Fresh Consumer outlets planned by the Government of Tamil Nadu and has been launched on 23.08.2014, it became the first in the state to excel in its work. The average sale per day constitutes Rs. 1.78 lakh.

Achievement of sales

85th Day Sales – Rs. 1 Crore

2320th Day sales- Rs. 41 Crores.

Functions of FFCO

- An average of 60 vegetables are purchased daily
- A 10% to 15% margin is fixed from the initial cost.
- The rate is 20% to 30% lower than the other vegetable vendors.
- Grading of vegetables is done every day.
- Damaged or spoiled vegetables are removed from sale.
- The sale starts at 7.00 A.M and ends at 9 P.M. every day.
- 800 to 900 customers visit every day.
- Electronic weighing and billing machines are used.
- A refrigeration facility is also available
- Express counter is also available.

Benefits of FFCO

- High-quality vegetables are available to ordinary people.
- Provides Employment to a few outsourcing employees.
- We improved the revenue for the cooperative marketing society.



AMMA MEDICALS

This is mainly to provide medicines to all people at a reasonable price.

It provides discounts for various medicines and they are as follows

- 20 to 40% for surgical items
- 35% for a few life-saving drugs
- 5% to 6% for a few health drinks/powders etc.
- Date of Commencement of the Scheme – 24.05.2015
- Average sales per day are Rs 1.00 Lakh.
- The average no of customer visits is 300.

SWOT ANALYSIS OF TAPCMS

STRENGTHS

The Strengths of the Thoothukudi Agricultural Producers Cooperative Marketing Society are as follows.

- Strengths are internal positive factors. Strengths include well-equipped and committed board members, a warehouse, skilled staff, equipment, and access to finance.
- Credit facilities are accessible, and conditions are not stringent.
- Favorable interest rate.
- The product receives a certificate of good quality.
- The price of the products is appropriate compared to their quality.
- Interventions in various fields like PDS, Non-PDS, banking, and transportation.

WEAKNESSES

The weakness of the Thoothukudi Agricultural Producers Cooperative Marketing Society includes the following.

- Weaknesses are negative internal factors that could hinder the adequate provision of services to members. Weaknesses include inadequate finance, inadequately skilled staff, poor member participation, a weak board of directors, and inefficient internal audit.
- Most members are net borrowers and not savers.
- Pressure and demand from members because of promises during the election period.

- They are increasing poverty levels, and inflation forces members to seek cheap financial support-perpetual borrowers.
- Channels to buy the product are limited.
- Product packages could be more attractive.

OPPORTUNITIES

The following are major opportunities and to be explored the Thoothukudi Agricultural Producers Cooperative Marketing Society.

- Opportunities are external positive factors cooperatives seize to strengthen their project or organisation. Opportunities include favourable government policies and support services, the existence of research institutions, the existence of cooperative colleges, the existence of secondary cooperatives, fair trade, good infrastructure, and collaboration with business partners and other organisations.
- Aggressive marketing and publicity campaign of products and services.
- Innovativeness in product branding.
- Advancement and growth in technology to create awareness of the products. E.g. Mobile banking.
- Amendments to the cooperative societies act, rules, and By-laws, i.e. open up membership and diversity in other products.
- Education and training of members.

THREATS

The threats of the Thoothukudi Agricultural Producers Cooperative Marketing Society is facing the following threats and it should make necessary attempts to overcome the threads.

- Threats are external factors that can have adverse effects on the cooperative. Threats include unfavourable national policies, natural disasters, out-migration, political instability, and poor infrastructures.
- Competition from micro-finance institutions and banks.
- Change of policies and legal framework.
- Increasing poverty level and inflation.
- Lack of awareness, ignorance, and poor patronage among some members.

- More than transportation to deliver products to the customer is required.
- Funding is insufficient
- Lack of government support.
- Lack of promotion/publicity and marketing for cooperative products.

RECOMMENDATION

- ✓ The societies should adequately represent small and marginal farmers in their organisational setup.
- ✓ Thoothukudi Agriculture Producers Cooperative marketing societies should ensure that the member farmers get essential inputs like good quality seeds, fertilisers, pesticides, etc., at a competitive price and on time.
- ✓ Thoothukudi Agriculture Producers Cooperative marketing societies should coordinate with other primary, state, and central cooperative societies. The multipurpose societies would be more successful than merely the marketing societies.
- ✓ Thoothukudi Agriculture Producers cooperative marketing societies should develop sufficient storage facilities in the mandi and the villages.
- ✓ Security requirements for the provision of credit should be liberalised. The volume of loanable funds should be enlarged through the rediscounting facility.
- ✓ The rate of interest should be subsidised to the extent that the loanable funds reach the weaker sections at the rate the financing banks get refinance from the central bank of the country.
- ✓ Institutional credit should be earmarked for small farmers, tenants, sharecroppers, landless workers, and artisans.

CONCLUSION

It is good old society and it has immense opportunity to enhance its operational efficiency and should focus much attention on strengthening the funds position to undertake various developmental activities which are need of the hour in the present competitive environment. Focusing attention on providing technology based services will provides room for scaling new heights by the society.

REFERENCE

- The information was collected from O.831 Thoothukudi Agriculture Producers Cooperative Marketing Society.