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# The Role of Cooperative Society for Marketing Agriculture Products in Bangladesh

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# The Role of Cooperative Society for Marketing Agriculture Products in Bangladesh

ABM Siddique




**Abstract-** Bangladesh is a developing country and agriculture is the main largest sector of the economy. About 80% people are directly or indirectly depended on the agriculture for their livelihood. This sector contributes 35.47% to the Gross Domestic Product (GDP) and this sector provides about 63% employment for the workforce. Most of the farmers are illiterate and for that reason they do not have the ability to sell their products to the final consumers. Consequently, middlemen are playing marketing role and due to this reason, farmer are not getting fair price for their products. Ministry of local Government & Cooperative Society can play vital role to bring forming within the framework of Cooperative Society and can minimize the role of middlemen of marketing agricultural products of Bangladesh. Study finding revealed that majority farmers did not have any knowledge about farmers Cooperative Society in this regard. It was also revealed that 88% farmers were depended on the middlemen for the marketing their products and 94% farmers did not get fair price from the middlemen.

**Keywords:** Cooperative Society, Cooperative Marketing, Middlemen, Philosophy, Gross Domestic Product (GDP), RDCD.

## CHAPTER - 1

### I. INTRODUCTION

A Co-operative Society is a voluntary association started with the aim of rendering service of its members. It is a form of business where individuals belonging to the same class join their hands for the promotion of their common goals. These are generally formed by the poor people or weaker section people in the society. "It reflects the desire of the people to stand on their own legs. The philosophy of the formation of Co-operative Society is "All for each and each for all".

On the other hand, the spirit of Co-operative is inspired by the Almighty Allah. Almighty Allah has created this universe within 6 days alone but he says in 41 places of the Holy Quran in different Suras, that "we have created (  Plural of  which means that Almighty Allah has used plural term instead of singular , that means Almighty Allah is giving emphasize on the joint efforts to build and make this universe useful and sustainable with the joint collaborations (Source: Quranic Dictionary 2001)<sup>1</sup>. Since

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<sup>1</sup> Abdul Baque Mohammed Fouad, Quarc Dictionary, 1364 Hisri, World wide publishers Ltd. Egypt in 2001.

independence the government of Bangladesh has endeavoured to improve the quality of life of the people through planned development efforts. The constitution of the country provided for fulfilling the basic needs of the people i.e food, clothing, shelter health care and education. That is why successive five years plan attached high priority to rural development and poverty alleviation. To uplift the status of the poor people's living standard in the rural areas, and whose main profession is agriculture, the government of Bangladesh has set up the Rural Development and Cooperative Division (RDCD) under the ministry of Local Government, Rural Development and Cooperative. This Division is responsible for policy formulation, planning, monitoring and administration of rural development and cooperative initiative of the country. Cooperative society is existed within the legal framework of Cooperative Society Act of 2001 (Amended in 2002). Cooperative Society Rule of 2004 and Cooperative Society Policy of 2012.

### II. BACKGROUND OF THE STUDY

The economy of Bangladesh is based on agriculture. About 80% people are dependent on agriculture. Agriculture's contribution to our GDP is 35.47% which is the highest contributor as a single sector in our economy and this sector creates about 63% employment opportunity for our labour force. Most of our farmers are illiterate and poor, for this reason, they are dependent on rural usurers for capital at highest rate of interest during cultivation period and again they are bound to sell their products to the Fouria and middlemen as they do not have capacity to sell to the consumers directly. As a result, they are not getting fair price of their products. So, it is clearly understood that our farmers are becoming poorer day by day due to the exploitation by the rural Fouria and usurers. Under these circumstances, Cooperative Marketing can be the Model of agricultural Marketing for our farmers. In the light of the above situation government of Bangladesh has formulated National Cooperative Policy in 2012 by emphasizing the farmers to bring within the framework of Cooperative Marketing for agricultural products. On the other hand, National Cooperative Policy of 2012 has also given due importance to uplift our womenfolk who are representing about 50% of our population. To implement our millennium goal of 2021, (Vision 2021)

the implementation of National Cooperative Policy will be very helpful strategy in this regard.

### III. RATIONALE OF THE STUDY

Agriculture is our main sector which contributes highest amount to the national GDP and on the other hand, agricultural sector is helping our manufacturing sector to develop and to create value addition to our national GDP.

If farmers are becoming more efficient to produce their products at lower cost and to sell them at a fair price through Cooperative Society Marketing system, then it would be possible to achieve higher economic growth. It is pertinent to mention here, that it would not be possible to ensure better living standard of our farmers without bringing farming within Cooperative Society throughout the country. If we go through the history of Economic Development of Denmark, Sweden and Germany then we see that these countries achieved highest level of economic development by utilizing Cooperative philosophy in their Development strategy.

On the other hand, Cooperative Society in Agriculture Marketing can utilize synergy effect. Synergy this term refers in Management that joint efforts' output is much greater than that of individual effort in economic activity.

### IV. STATEMENT OF PROBLEM

Farmers are illiterate and poor for that reason they do not have capacity to run farming activities effectively and efficiently. As farmers, do not have educational qualifications and financial ability to store their products and the transport them to the market place for better price. As a result, they are bound to sell their products to the Fouria and middlemen at lower price which is below their production cost in maximum cases. Under these circumstances, co-operative marketing strategy can solve this problem.

### V. OBJECTIVES OF THE STUDY

The following are the objectives of the study:

1. To analyze the present marketing system of Agricultural products in Bangladesh.
2. To analyze the role of Co-operative Society for marketing Agricultural products.
3. To find out the problems of Co-operative Society and to give some recommendations to the concerned ministry to overcome the problems.
4. 6. Methodology of the study:
5. This study is exploratory in nature. It consists of both qualitative and quantitative data and information. In order to achieve the objectives of the study; data have been collected from both primary and secondary sources.

Primary data: Primary data have been collected through a questionnaire method from Noakhali and Lakshmipur districts. A sample of 50 farmers was interviewed to get practical data.

Out of 50 farmers 30 respondents were selected from chumohoni under Noakhali District and 20 respondents were selected from Hajigong under Lakshmipur district.

Secondary Source: Secondary data were collected from text books of agriculture marketing, Annual Report of Co-operative Department, Economic Survey Report of Bangladesh 2011 and Co-operative Policy of 2012, Co-operative Act of 2001 (Amended in 2002)

#### a) *Sampling technique*

Convenience sampling technique was applied in the survey.

### VI. DATA ANALYSIS TECHNIQUE

SPSS software was used to get the descriptive statistics output for interpreting and discussion purpose. Scope of the study

This study is only for the academic purpose and this study is limited to the agricultural marketing purpose. This study may be used by the concerned department and ministry for their policy implication purpose.

### CHAPTER – 2

### VII. LITERATURE REVIEW

#### a) *Co-operative Marketing*

##### i. *Meaning of Co-operative Marketing*

Co-operative Marketing means the association of agricultural producers for marketing their products and the Co-operation of final consumers in purchasing goods and services for their own use. A consumer's Co-operative is voluntary association of ultimate consumers, organised to fulfill some of their needs for goods and services. Co-operative Marketing association are composed of groups of farmers organised for the purpose of marketing the commodities they produce,

Farmers have often felt that they did not receive the full value of their products when they were sold to local buyers whose margins were too large, because either of their inefficiencies or for wants of unorganized work. The led to the organisation of Co-operative Associations. Agricultural co-operation may also be defined as joint action among a number of farmers for the purpose of selling their production and providing other services like stimulation of demand condition, storing, pooling and standardizing the produce.

##### ii. *Objectives of Co-operative*

The main object of Co-operative Marketing society is to secure for their members as much as possible for the products they sell. More specific

objectives designed to bring about this result include the following:

- (a) Lower Marketing cost.
- (b) Better marketing service.
- (c) Improvement in the quality of the products.
- (d) Influencing supply and demand in the market.
- (e) More accurate grading and classification.
- (f) Extension of production credit.
- (g) Purchase of farm supplies.
- (h) Finally, education in both production and marketing methods which will lead to more specific farm operation.

The efforts to reduce marketing costs originally concentrated on elimination of the middlemen and capturing his profits for the organization's members. Improving operating efficiency became a companion objective. It was discovered that in order to reduce the marketing costs and margins, efficiencies had to be developed in which the Co-operative could do the job more economically than other agencies.<sup>2</sup>

A Co-operative can also serve to improve the marketing system. It might be organised to pursue one or a combination of the economic objectives, viz..., (a) provide services at a lower cost, (b) offer an alternative market outlet to offset monopoly in the local market, (c) provide new or improved marketing services and (d) channel technical information, new practices and new inputs to producers and better Co-ordinate production and marketing.<sup>3</sup> The environment for formation of Co-operative is more favorable if marketing margins are high due to collusive behavior within the private trade or if there is great inefficiency in the private trade for other reasons.<sup>4</sup>

#### *b) Evolution and Development of Co-operatives*

The Co-operative movement is a little over hundred years old now when the Industrial Revolution in the Western world become mature, it was seen that the small farmers faced a peculiar circumstance in which the buyers of their raw material and the sellers of their consumers goods became big manufacturers and traders, who could dictate prices to these small men by virtue of their almost monopolistic power over the market. In this society, the percentage of literacy was high and there was a social class that was well to do, but reasonable hard working, honest and sincere. There

were amongst them who wanted to do good to the society by voluntary social work. They were pained to see that the Industrial Revolution which should have brought the blessings of machine and the high living standard for mankind had actually brought monopolistic exploitation of the small men by the giants in manufacturing and marketing necessitated by the economy involved in large scale production through the machines. The nineteenth century capitalists were also a group of people who worked very hard, took great risks and reinvested their profits in the lure of owning still bigger enterprises. Many of these people lived amazingly simply life and even made big donations to charitable purposes for the well being of common men. It was in this kind of social milieu when Marx predicted that capitalism was destined to destruction because of its weakness in controlling the monopolies and in protecting the proletariat that the co-operative movement came as an alternative to revolution, violence and blood shed. It provided an alternative to socialism. It aimed at bringing about the advantages of large scale economy to the small man who by uniting amongst themselves and pulling their resources together, would bring to themselves increased bargaining power, necessary credit supply and the required at Koma Rock in Henya. In Niger, too, rural Co-operatives are reported to have been expanding very successfully in the marketing of cereals.<sup>5</sup>

In some other countries, such as, Tanzania and Tunisia, Co-operatives without intensive assistance of this kind have, for several years, been coping with the marketing and processing of crops on a national scale. In India, the striking success of the Anand milk producers' Co-operative over the past twenty years has attracted worldwide attention. This venture has transformed the living conditions of peasant farmers in the Karala district of Gujrat. Its business has expanded continuously under excellent local management and in 1967; it handled and processed more than 70,000 tons of milk for 120,000 producer members. Its remarkable progress shows what may be achieved under suitable conditions and good management.<sup>6</sup>

In Cyprus, as another example, the Co-operative movement has a long history and is a major force in the commercial and industrial life of the country. In several larger Latin American countries, there are large and powerful Co-operative organizations which are successfully operating major processing and trading businesses.

In Lebanon the Bekaa Poultry Co-operative packs, grades and distributed egg and table poultry for some 120 members. Since 1963, it has built up excellent facilities and a reputation for quality products and commercial efficiency. It now supplies a large part of the

<sup>2</sup> Henry Larzelere, : "Co-operative in Agricultural Marketing", Agricultural Market. Edited by Vernon L. Sorenson, Michigan State University Business Studies, 1964. p. 203.

<sup>3</sup> J. T. Scott and Fletcher: "Co-operative as Instruments of Market Reform : The Economist' view" Agricultural Co-operative and Markets in Developing Countries. Edited by K.R Ansel, Bramon and Smith, New York, 1969. p. 220.

<sup>4</sup> W, John Mellor: "Agricultural Product and Input Markets in South Asian Smallholder Agriculture." Edited by Ansel, Ibid, p. 108.

<sup>5</sup> UNFAO. The State of Food and Agriculture, 1969, P 96.

<sup>6</sup> Ibid. p. 96.

Lebanese domestic market for eggs and exports about 70 million eggs per year.<sup>7</sup>

Co-operative buying among farmers of city consumers has developed extensively in some countries, notably the United States, England and Sweden while Co-operative selling of farm products is most common in such countries as Denmark, Finland, Canada and the United States. Denmark is the outstanding example of a country in which cooperative marketing of farm productions and purchasing of farm supplies have succeeded on a large scale. The various products handled by thousands of Danish Farmers Cooperative Associations. A large proportion of the retail trade in Denmark, Finland, Sweden and England passes through Cooperative channels. Wholesale houses organized on a national and international basis are also operated successfully by cooperatives.

The recent expansion of Co-operative marketing systems in countries, such as, Ceylon, Tanzania and Senegal reflects a shift away from the idealistic tradition of the Rockdale Pioneers to a more pragmatic model. For instance, as seen in Japan, Cooperatives there handle 70 to 80 percent of the rice marketed. These cooperatives undertake only limited responsibilities as receivers and storage agents for a monopoly government food agency with a secure base as sole assembling agency, and carrying a steady handler's commission, these cooperatives provide credit and sell fertilizer and other supplies to farmers on easy terms. Once capital was accumulated from these low risk operations, they could take on additional functions such as processing and marketing other crops.<sup>8</sup>

In some less developed countries, the Cooperative Movement was initiated with the Organization of Cooperative Marketing Societies. Coffee marketing in Tanzania by the Kilimanjaro Native Cooperative Union Ltd., cocoa marketing in Nigeria, cotton marketing in Uganda, and rice marketing in Malaysia are examples of the case.

#### c) Principles or Features of cooperative society

International Co-operative Alliance (ICA) Congress of 1931 resolved to appoint a Committee to the application of Rockdale principles. The committee made its final report in 1934 in Paris. As a result of this report the ICA recognised seven Rockdale principles but concluded that only four of those could be applied universally at the international level for purpose of ICA membership

They were:

1. Voluntary or open membership.
2. Democratic control.

<sup>7</sup> Ibid, p. 96

<sup>8</sup> Abbott, J. C. "The Development of Marketing Institutions," Agricultural Development and economic Growth Edited by Herman M South worth and Bruce F. Johnson, Ithaca, N.Y. Cornell University Press, 1967, P.47.

3. Distribution of surplus to members in proportion of their participation in the transaction of the society.
4. Limited interest on capital.

The other three were:

1. Cash trading
2. Religious and political neutrality.
3. Education.

#### i. Membership

- (a) Those who can make use of the services of a particular co-operative society should be able to become its members without any artificial restrictions. It is important to note that only those whose needs and services are supplied should be come and allowed to become members.
- (b) Co-operative movement is at once a social movement seeking to increase its adherence. Naturally it should welcome and encourage the eligible persons to become members.
- (c) The member should realize and fulfill his obligation to the society and the society in turn should reciprocate.
- (d) The individual should be free to join or withdraw from a society. These should not be any direct or indirect compulsions. However, his entry or exit should not affect the society adversely. Therefore, this freedom can rarely be absolute. It can be modified or restricted by other considerations of greater validity.
- (e) A society is not obliged to retain a member if his conduct is detrimental to its interest. The condition of expulsion however should be clearly laid down in advance and known to both parties,
- (f) The open membership (with the unavoidable restrictions) make a co-operative society distinctly different from a joint stock company, Because of open membership shares remain at the nominal value fixed in the society's rule.

#### ii. Democratic Administration

- (a) The primary purpose of a co-operative society is to promote the interest of its members. To achieve this end the members must have the final say in the society. Therefore, there should be an effective method of consulting the members as a body and their support and loyalty keep the society alive and active. To ensure that the members interest get the highest priority in the administration of the society's affairs, those who administer the affairs must be chosen directly or indirectly by the members.
- (b) "One man, one vote" is the most condensed expression of the democratic administration of co-operative societies.

- (c) In the case of organization of higher tiers, where members are societies, indirect systems of elections are adopted.
- (d) In developing countries where government contribute capital of the societies, government representation on Boards of Management become necessary, Without generous amounts of government finance, co-operative development in these countries will be slow, however, representation should not continue a day longer than it is necessary.
- iii. *Interest on Capital*
- (a) The co-operative movement since its beginning has followed the system of paying a fixed and limited interest on capital of members.
- (b) The three main forms of capital in a co-operative:
- (i) Share capital.
  - (ii) Capital owned by society in the form of reserves etc.
  - (iii) External borrowing etc.
- (c) The limitation applies really to the first. Situation where principle of limited interest can be tested.
- (i) The co-operators are not unanimous on the question whether any interest should be paid on capital or not. There is no principle which obliges that interest should be paid. If no interest is paid there is no clash with the principle.
  - (ii) If interest is paid below the rate which may be regarded as fair elsewhere then also this can be regarded as payment of limited interest.
  - (iii) A third situation is where limited interest is paid for a certain period but raised or lowered not in response to short term fluctuation on the money market but the long range movement of interest rates. This too does not contravene the principle.
- (d) A fourth situation would be where a premium is merged into the rate of interest. From a co-operative point of view, this is dubious.
- Disposal of Surplus (Savings):
- iv. There are two main points that should be kept in mind.
- (i) How to find the proper balance between the interest of the society and those of the individual members.
  - (ii) To do justice as between one individual member and another, it is important to remember that economic benefits conferred on the members are of various kinds money, goods or service.
  - (iii) With regard to the distribution of surplus there are certain operational aspects that must be considered.
- (iv) Provision of goods to members at low prices which hardly leads to accumulation of surplus for distribution.
- (v) The business prudence sometime may require that all or large part of the society's earnings to be placed to reserve.
- (vi) A major part of the surplus may have to be devoted to provision of common enjoyment to the members. The distribution of surplus among members is an important characteristic that distinguishes a co-operative from a joint stock company.
- v. Education
- (a) The Commission elevated "principle of education" to that of a regular principle.
  - (b) The definition of education for the purpose of co-operation.<sup>9</sup>
- "For the purposes of co-operation, however, education needs to be defined in a very broad sense which included academic education of more than one kind but much besides. It includes both what people learn and how they learn it. Every phase of experience, which adds to people's knowledge, develops their faculties and skill, widens their outlook, trains them to work harmoniously and effectively with their fellows and inspires them to fulfill their responsibilities as man or women and citizens can have educational significance for co-operation. Less and less in the contemporary world can education be limited to what is learnt in schools and colleges at special periods of people's lives. According to the co-operation concept, education is a life long process.
- (c) Co-operative education process can be divided into three groups:
- (i) Member education;
  - (ii) Staff training;
  - (iii) Education of the public in co-operative methods.
- vi. Cash Trading
- The main reasons why cash trading was emphasized by the pioneers were:
- (a) High cost involved in credit buying.
  - (b) Credit buying may hold the temptation to spend more that one can afford.
- The conditions at least in some parts of the world have changed where it is reasonable to think that the rule of cash trading may not be adhered to strictly.
- vii. Political and Religions Neutrality:
- Internal:* The internal aspect concerns the relations of a co-operation with its members. There should be no discrimination on the basis of religion or politics in admitting members or the treatment to members.

<sup>9</sup> Quotation from principles, Commission Report, p, 34.

*External:* "The external aspect deals with the societies or the co-operation Movements' relation with the external social and political system.

The Commission thought that co-operation as an economic movement with an economic doctrine of its own and representing well defined economic interest, can not avoid involvement in affairs of government, which whether they are or are not the subject of party conflict are in nature political."

Bangladesh 'Agricultural product market of Bangladesh has expanded after the introduction of rural works program in the sixties, which contributed to the road connection from countryside to urban areas. But it remained modest until late seventies. After the seventies, market oriented activities grew, which included increasing production and processing of products. As a result of increasing technical, financial and others types of supports, the market oriented activities grew not only in the crop sector but also in other areas. In case of poultry, dairy and fisheries, commercialization of production increased to a significant extent since early 80s. Shahabuddin et. al (1999). One of the difficulties of marketing agricultural product is the fluctuation of the price level. Just after the harvest the market price of crops fall and increase later. This is because just after the harvest farmers sell their produce as soon as possible to repay their loan. Lack of storage facilities also plays a compelling role in the affair. At this time of the year, produced output outruns the demand and thus the price falls. As the price is low during the harvest, the farmers are deprived of their due income from their products. To overcome this problem the government often buys crop especially paddy from the farmers at a fixed price. As the price fixed by the government is higher than the market price, the farmers are supposed to gain from this. But this is not often possible as it is costly and problematic to sell the crops in selling outlets Crow B (2011). In the course of time there have been changes in the setup of product market of agriculture. Class configuration of markets that is the classes and groups involved in the agricultural product market has taken different forms in the course of time. According to Ben crow, a range of exchange relations has developed based on the relative sizes of the

different classes and their relation to one another. FRMU, Issue No 18, February, (2009). Procurement policy of the government aims at ensuring fair price to the farmers. Open Market Sale by the government is intended for supply of food grain to the people at a lesser price than the prevailing market price. Initiatives like vulnerable group feeding, test relief etc, have been taken from the government level in addition to open market sale (OMS).

Present Situation of Agricultural Marketing in Bangladesh.

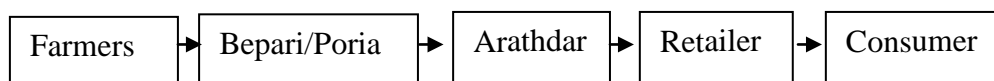
Agricultural Marketing is an essential for the uninterrupted supply of product from growers to consumers bringing maximum benefits to the farmers and consumers. Farmers can achieve potential benefits if they can access to the market where they can sell their product directly. Most of the farmers now days can not achieve the economics of scale from their produces because they are unable to reach the market at the right time and at the right place. The farmers of our country are uneducated and illiterate and do not know about the market. Although in some cases, they know about the market but they can not do anything due to lack of capital and others logistics' support. Basically agricultural marketing in Bangladesh is characterized by chain of intermediaries who are regarded as obstacles to farmers, in getting the right price for their products as well as for the customers to pay high product price. These intermediaries take a large portion of the price. These intermediaries create barriers in the supply of product. There is four to five stage intermediaries involved in agricultural marketing system that is prevailing now in the supply chain of product. The produces of farmers go to the intermediaries instead of consumers. The existing intermediaries are taken most of the benefits from the market. In the present situation, the marketing intermediaries make up the marketing channel are performing the work of moving goods from the grower to customer determining high price for the products to the ultimate consumer. Although Bangladesh has a competitive advantage in the production of agricultural products but the marketing systems that are prevailing in the market is not suitable for bringing fair price to the real farmers.

Figure 1 : Rice Marketing Channel



Source: A survey on the present Situation of agriculture Products Marketing on Chaumuhoni and Hajigonj in Noakhali and Laxmipur Districts.

Figurr 2



Source: A survey on the present Situation of agriculture Products Marketing on Chaumuhoni and Hajigonj in Noakhali and Laxmipur Districts.

## CHAPTER- 3

## VIII. DATA ANALYSIS &amp; DISCUSSION

a) *Gender of the Respondents*

| Gender | Frequency | Percent | Cumulative Percent |
|--------|-----------|---------|--------------------|
| female | 1         | 2.0     | 2.0                |
| male   | 49        | 98.0    | 100.0              |
| Total  | 50        | 100.0   |                    |

It is seen from the above table that our agriculture is male dominated. Out of 50 respondents, 98% are male and remaining 2% are female. That means, women farmers are insignificant in our agriculture.

b) *Level of education of the Respondents*

| Level of Education | Frequency | Percent | Cumulative Percent |
|--------------------|-----------|---------|--------------------|
| illiterate         | 37        | 74.0    | 74.0               |
| class five         | 8         | 16.0    | 90.0               |
| Class ten          | 4         | 8.0     | 98.0               |
| ten+               | 1         | 2.0     | 100.0              |
| Total              | 50        | 100.0   |                    |

It is seen from the above table that 74% respondents are illiterate 16% respondents have only class five Level education. Only 8% respondents have class ten Level education and 1% respondent has above class ten level education.

c) *Mode of marketing of Agricultural Products*

| Mode of Marketing | Frequency | Percent | Cumulative Percent |
|-------------------|-----------|---------|--------------------|
| Direct            | 6         | 12.0    | 12.0               |
| Indirect          | 44        | 88.0    | 100.0              |
| Total             | 50        | 100.0   |                    |

It is seen from the above table that 88% respondents are using indirect marketing for their agricultural products and only 12% respondents are using direct marketing for their agricultural products

d) *Fair price of Agricultural Product*

| Fair Price | Frequency | Percent | Cumulative Percent |
|------------|-----------|---------|--------------------|
| No         | 47        | 94.0    | 94.0               |
| yes        | 3         | 6.0     | 100.0              |
| Total      | 50        | 100.0   |                    |

It seen from the above table that 94% respondent answered that they did not get fair price for their agricultural products.

e) *Necessity of co-operative society for Agricultural Product*

| Necessity of Co-operative | Frequency | Percent | Cumulative Percent |
|---------------------------|-----------|---------|--------------------|
| yes                       | 50        | 100.0   | 100.0              |

It is seen from that above table that 100% respondents answered positively about the necessity of co-operative society for agricultural products.



f) *Interest in forming co-operative for Agricultural Product*

| Interest for Co-operative | Frequency | Percent | Cumulative Percent |
|---------------------------|-----------|---------|--------------------|
| yes                       | 50        | 100.0   | 100.0              |

It is seen from the above table that 100% means 100% respondents showed interest to form co-operative society for their agricultural products.

g) *Obstacle of co-operative Society for Farmers*

| Obstacle for Co-operative formation | Frequency | Percent | Cumulative Percent |
|-------------------------------------|-----------|---------|--------------------|
| Knowledge                           | 50        | 100.0   | 100.0              |

It is seen from the above table that 100% respondents informed that knowledge was the main obstacles in the way of forming co-operative.

h) *Awareness Program for Developing Co-operative Society*

| Awareness | Frequency | Percent | Cumulative Percent |
|-----------|-----------|---------|--------------------|
| yes       | 50        | 100.0   | 100.0              |

It is seen from the above table that 100% respondents answered positively to the question. That means, respondents informed that awareness program is necessary for the promotion of co-operative society for the farmers.

i) *Effect of Co-operative for Agricultural Products*

| Effect of Co-operative | Frequency | Percent | Cumulative Percent |
|------------------------|-----------|---------|--------------------|
| yes                    | 50        | 100.0   | 100.0              |

It is seen from the above table that 100% respondents answered positively to the questions. That means, respondents informed that co-operative society has much impact for reducing the role of middlemen from the agricultural products.

j) *Source of capital of Farmers during Cultivation Period*

| Source of capital       | Frequency | Percent | Cumulative Percent |
|-------------------------|-----------|---------|--------------------|
| Usurers                 | 38        | 76.0    | 76.0               |
| Non financial institute | 12        | 24.0    | 100.0              |
| Total                   | 50        | 100.0   |                    |

It is seen from the above table that 76% interest rate and 12% respondents took loan from non-respondents took capital from the usurers at high financial institution.

k) *Importance of the organisation for forming co-operative from economic aspects*

| Type of organization for supporting co-operative | Frequency | Percent | Cumulative Percent |
|--|-----------|---------|--------------------|
| local government                                 | 50        | 100.0   | 100.0              |

It is seen from the above table that 100% role for developing co-operative society for marketing their agricultural products.

l) *Influential factors for developing co-operating society*

| Influential factors  | Frequency | Percent | Cumulative Percent |
|----------------------|-----------|---------|--------------------|
| Political commitment | 50        | 100.0   | 100.0              |

It is seen from the above table that 100% respondents answered that political commitment was very influential factor for developing co-operative society for the farmers.

m) Available of Storage facilities for Agricultural Products for farmers

| Storage facilities | Frequency | Percent | Cumulative Percent |
|--------------------|-----------|---------|--------------------|
| no                 | 49        | 98.0    | 98.0               |
| yes                | 1         | 2.0     | 100.0              |
| Total              | 50        | 100.0   |                    |

It is seen from the above table that 98% respondents answered negatively about the availability of storage facility for the farmers for preserving their agricultural products.

play better role in the development of cooperative society for the farmers.

- 10. It was revealed in the study that 100% respondents were on the opinion that political commitment was influential factor for the development of co-operative society for the farmers.
- 11. It was found in the study that 98% respondents did not have storage facility for preserving their products which compelled them to sell their products immediately after harvesting period.

CHAPTER-4  
IX. SUMMARY OF FINDINGS,  
RECOMMENDATIONS, CONCLUSION,  
LIMITATIONS OF THE STUDY AND FURTHER  
RESEARCH.

The followings are the summary of findings of the study:

- 1. Agriculture sector of Bangladesh is dominated by the male and female's participation in agriculture is insignificant. It was revealed from the study that 98% farmers are male and only 2% farmers are female.
- 2. It was found in the study that 74% farmers were illiterate and 16% farmers had only class five level of education and 8% farmers had class ten level of education and only 2% farmers had above class ten level education.
- 3. It was revealed from the study that 88% farmers' mode of marketing were indirect channel of marketing. This indicates that majority farmers are selling their products to the rural Fauria /bepari.
- 4. It was revealed from the research that 94% farmers did not get fair price of their products. This indicates that farmers are exploited by the rural fauria /middlemen.
- 5. It was revealed in the study that 100% farmers were interested to form Co-operative Society for marketing their agricultural products but they could not form it due to the ignorance about the Co-operative society's rules and regulations.
- 6. It was also revealed in the study that 100% respondents were on the opinion that awareness programs were necessary for developing Co-operative Society among the farmers.
- 7. It was revealed in the study that 100% respondents were on the opinion that Co-operative Society had impacts for the farmers for marketing their products.
- 8. It was revealed in the study that 76% farmers were dependent on the usurers at high rate of interest.
- 9. It was revealed in the study that 100% respondents were on the opinion that Local Government could

The followings are the recommendations of the study:

- 1. Co-Operative Department should take some pragmatic programs to increase farmers marketing efficiency. This can be done by introducing Co-Operative for the farmers. This system can enable them to take joint efforts of marketing their products. If this initiative is taken by the Department of Co-operative then the role of middlemen will be reduced gradually and thus farmer's economic welfare will be increased.
- 2. Local Government (Union Parishad) administration can be linked up with the Department of Co-operative and in this case Local Government (Union Parishad) Act of 2009 will be required to make amendment. In the opinion survey 100% respondents opined in favour of the involvement of Local Government in this regard. If this arrangement is done then farmers will be motivated to participate in Co-operative Society as farmers believe that Local Government can play better role to motivate rural people to involve Co-operative farming and marketing.
- 3. Department of Co-operative should take some programs to support farmer's initiative in Co-operative Society. Government of Bangladesh has formulated Co-operative Policy of 2012 by emphasizing poor farmer's emancipation and women empowerment activities. But in practical field no such type of programs are yet to implement by the government. So, it is recommended to the concerned ministry to prepare necessary action plans in this regard.
- 4. Government should take some awareness programs about Co-operative Society through social campaign using Bangladesh Television so that people can understand the importance of Co-

operative initiatives and accordingly can take practical efforts in this regard.

*Conclusion:* Finally it can be said that in spite of having a good Co-operative Policy of 2012, if pragmatic and farmers oriented plans and programs are not taken, it would be impossible to achieve our millennium goal of 2021 (Vision 2021) and even the desired objectives of our liberation war 1971 will remain incomplete. So, concerned Ministry should take necessary policies and strategies to implement farmers Co-operative Society with priority basis.

*a) Limitations of the study*

It was not possible to focus into the role of Co-operative in the broad range of activities due to the time constraint. This study could have been done better way by incorporating the opinion of the Local Government about its perception of peoples' opinion regarding Local Government's involvement in Co-operative initiative. On the other hand, sample size of this study is only 50 farmers which could have been increased into considerable size if sufficient time was available.

*b) Further study*

Research is a continuous process. For this reason, in future this research can be developed by the interested researchers by focusing my limitations as I have stated clearly.

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## APPENDIX-1

## a) Questionnaire (For Farmers)

Age of the respondents (please give Tick Mark against appropriate option)

- 18 – 23 yrs.     23-28yrs.     28-33 yrs.     33-38 yrs.  
 38 - 43yrs.     43-above yrs.

Gender :     Male     Female.Level of Education:     illiterate     up to class V     up to class X     above X1. Type of agricultural activity     Rice     Jute     Vegetables     Fruits.2. Mode of Marketing     Directly to the Consumer     Selling to wholesalers /pouria.3. Do you get fair price of your products?     Yes.     No.

4. Do you think that co-operative society can help you to get fair price of your products?

 Yes     No.5. Do you have interest to form co-operative society?     Yes     No.

6. What is the obstacle in the way of forming co-operative?

 Knowledge     Financial ability.7. Do you think that awareness program for co-operative is needed?     Yes     No.

8. Do you think that co-operative can help you to raise fund for increasing your productivity?

 Yes     No.

9. What is your source of capital?

 Non financial institute     financial institute     Usurer.

10. What is the rate of interest of your borrowed capital?

 100%     50%     20%.11. Which organization is most important for developing co-operative society in our socio-economics perspective ?     Local Govt.     NGO     Foreign donors.

12. What is the most important for developing co-operative society in Bangladesh?

 Political commitment of the government to give much emphasize on co-operative society and its continuation even after changeover of the government. Grants from donors and government budget.

13. Do you have your own storage facility to preserve your products?

Yes        No    

Thank you for your co-operation.

APPENDIX-II

a) Descriptive Statistics (SPSS Output)

|               | age     | gender | Level of education | Type of agriculture | Mode of marketing | fair price | Necessity of co-operative society | Interest in forming co-operative | Obstacle of co-operative | Awareness of co-operative | Effect of Co-operative | Source of capital | Rate of interest for borrowed capital | Importance of the organization for economic aspects | Influential factor for developing co-operative society | storage facilities |       |
|---------------|---------|--------|--------------------|---------------------|-------------------|------------|-----------------------------------|----------------------------------|--------------------------|---------------------------|------------------------|-------------------|---------------------------------------|---|--|--------------------|-------|
| N             | 50      | 50     | 50                 | 50                  | 50                | 50         | 50                                | 50                               | 50                       | 50                        | 50                     | 50                | 50                                    | 50  | 50   | 50                 | 50    |
| Mean          | 5.3200  | .9800  | .3800              | 1.5400              | 1.8800            | .0600      | 1.0000                            | 1.0000                           | 1.0000                   | 1.0000                    | 1.0000                 | 1.4800            | 1.7600                                | 1.0000  | 1.0000   | 1.0000             | .0200 |
| Median        | 5.0000  | 1.0000 | .0000              | 1.0000              | 2.0000            | .0000      | 1.0000                            | 1.0000                           | 1.0000                   | 1.0000                    | 1.0000                 | 1.0000            | 2.0000                                | 1.0000  | 1.0000   | 1.0000             | .0000 |
| Mode          | 5.00(a) | 1.00   | .00                | 1.00                | 2.00              | .00        | 1.00                              | 1.00                             | 1.00                     | 1.00                      | 1.00                   | 1.00              | 2.00                                  | 1.00  | 1.00   | 1.00               | .00   |
| Std. Deviator | .81916  | .14142 | .72534             | 1.01439             | .32826            | .235       | .00000                            | .00000                           | .00000                   | .00000                    | .00000                 | .86284            | .43142                                | .00000  | .00000   | .14142             | .00   |
| Minimum       | 2.00    | .00    | .00                | 1.00                | 1.00              | .00        | 1.00                              | 1.00                             | 1.00                     | 1.00                      | 1.00                   | 1.00              | 1.00                                  | 1.00  | 1.00   | 1.00               | .00   |
| Maximum       | 6.00    | 1.00   | 3.00               | 4.00                | 2.00              | 1.00       | 1.00                              | 1.00                             | 1.00                     | 1.00                      | 1.00                   | 3.00              | 2.00                                  | 1.00  | 1.00   | 1.00               | 1.00  |
| Sum           | 266.00  | 49.00  | 19.00              | 77.00               | 94.00             | 3.00       | 50.00                             | 50.00                            | 50.00                    | 50.00                     | 50.00                  | 74.00             | 88.00                                 | 50.00   | 50.00  | 50.00              | 1.00  |