

CHAPTER I



CHAPTER I

INTRODUCTION - I

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1.1

THE PROBLEM

Natural rubber is one of the most precious gifts of nature to mankind. It has greatly influenced the overall growth of humanity in every sphere of activity. The material has become so vital that the consumption of Natural Rubber is taken as one of the index of economic growth of a country.

Natural rubber is the most important raw material used in rubber industry. With the evolution of synthetic rubbers, rubber industry is trying to use each type of rubber as a special purpose rubber for use in manufacture of particular range of products. Natural Rubber is found to be the ideal rubber for tyre industry. About 68% of World total production of Natural Rubber, that is, 5.5 million tonnes is used in tyre industry.

The synthetic rubbers produced in the country is almost twice as costly as Natural Rubber marketed here. Further, the imported natural rubber released from other countries to this industry is also costly. The prices of imported rubber are 30 to 40% higher than the natural rubber marketed in the country. To promote and produce more natural rubber in India required an efficient and effective marketing machinery.

India is the fifth largest rubber growing country in the world rank fourth in world production. However, India remained as an importer of natural rubber till 1960's. This situation however improved due to the growing area covered under rubber plantation and increase in production which resulted in reducing the share

of import from 48% in 1960-61 to 10% 1990-91. This is despite the high rates of consumption by the manufacturing industry. The average annual growth in production during the Seventh Plan period was 9.8%, unmatched by any other crop in the country. The growth marked in 1990-91 was 11%. India has attained near self-sufficiency in this commodity well ahead of all estimates.

Kerala is considered the birthplace of rubber in India. In August 1902, rubber planting commenced at Thattakad near Alwaye by the "Periyar Syndicate". From 1902 onwards, the Government of Travancore, Cochin, Madras and Mysore encouraged rubber cultivation by granting land. By 1904 planting of rubber was started in 'Yendayar' 'Eldorado' and 'Mundakayam', estates. By 1901 'Mundakayam' became the leading centre of rubber plantations in India.

Now Kerala accounts for 85% of country's rubber plantation area. About 3,76,000 hectares are used for rubber plantation. Now rubber is a controlled commodity. It's production, sale and manufacture have to be carried out under a valid licence from Rubber Board.

In Kerala, until mid 1950's large growers (having more than 50 acres) dominated the total area of plantation. Due to various socio-economic changes, rubber is now predominantly a small holders crop. In 1950-51 the small holdings accounts for only 32% of the total area under rubber which by now has increased to 82%. Similarly, production from small holdings which formed only 21% in 1950-51 has increased to 71% by 1981-82 and to 81% in 1990-91.

Majority of the small holdings are located in villages. The average daily employment in rubber plantations is 47,000 persons. So a good marketing mechanism assumes vital importance.

If the total natural rubber consumption is analysed it will show that Maharashtra, West Bengal and Uttar Pradesh account for 89% of total natural rubber consumption in the country. These states are not producing rubber and far away from producing centres. This necessitates to have an effective marketing channel.

The total area of Ernakulam district is 2408 Sq. Kms. Rubber planting area is 42,289 hectares of which 39,293 hectares are under small holdings and 2,996 hectares are estates. So rubber is a small farmer's crop and it requires an effective marketing system. Co-operative Marketing Federation and its member societies are engaged in marketing natural rubber. But their share in the total market is not considerable. In view of this it becomes necessary to study the actual performance and declining share of Rubber Marketing Federation with special reference to Ernakulam District. Further it is also felt necessary to understand the contribution of Federation's member societies and cultivator sellers in the growth and development of Rubber Industry.

1.2

OBJECTIVES OF THE STUDY

This research study is undertaken mainly to study the performance of Rubber Marketing Federation and to evaluate the

working of Kerala State Co-operative Rubber Marketing Federation in the light of member societies and cultivator-sellers. Following are the important objectives.

1. To take a review of its development.
 - 1.1. Growth of membership and share capital.
 - 1.2. Growth of sales and procurement.
 - 1.3. Growth of input supply.
2. To evaluate the working in the light of member societies and cultivator-sellers.
 - 2.1. How far member societies are benefited by Federation.
 - 2.2. How far cultivator-sellers are benefited by member societies.
3. To study the problems of Rubber Marketing Federation, Member Societies and cultivator-sellers and to make necessary supporting suggestions for overcoming their difficulties.

DATA AND METHODOLOGY:

For this investigation, both primary as well as secondary data were collected from the cultivators-sellers and also from the records of member societies. Out of the total 10024 members,

a sample of 2% i.e., 200 members was selected by using 'Stratified random sampling technique' (Refer Table 1.1)

TABLE 1.1

Selection of respondents.

SR.NO	NAME OF MEMBER SOCIETY & PURCHASE BRANCH	NO.OF MEMBERS	SAMPLE MEMBERS (2%)
1	Perumbavoor Rubber Marketing Society	2014	40
2	Muvattupuzha Rubber Marketing Society	2910	58
3	Kothamangalam Rubber Marketing Society	2100	42
4	Arakunnam Agency Purchase Branch	3000	60
	TOTAL	10024	200

Source: List of members of society.

For the collection of primary data from sample members an open ended questionnaire was prepared and administered to the sample cultivator-sellers. (See Appendix "A")

Personal interviews were supplemented by long and detailed discussions with the staff members and secretaries of the selected societies and with the progressive farmers in the study area.

Secondary information has been collected from the following sources:

1. Annual reports of Rubber Marketing Federation.
2. Annual reports of member societies.

3. Publications of Rubber Board.

4. Official records of Federation and member societies.

For this study an extensive use of observation method and use of library is made. A few statistical techniques are employed for the purpose of analysis and interpretation of data. Amongst them, simple averages, percentages, growth models are used. For establishing the relationship between the variables.

1.4 SCOPE AND LIMITATIONS:

SCOPE:

The present study deals with the working of Co-operative Rubber Marketing Federation in Ernakulam District. The scope of the investigation is therefore, confined to the following aspects of Rubber Marketing Federation and member societies.

1. Profile of Rubber Marketing Federation
2. Growth of Federation and growth of member societies in Ernakulam district.
3. Performance evaluation of Rubber Mark through member societies and cultivator-sellers.

LIMITATIONS:

1. The reluctance of the respondents in giving more information required for the study. However after

developing the proper approach with the respondents the researcher could get adequate information.

2. The secondary data collected from the official records and accounts were inconclusive
3. The shortage of time in doing the study was also a limiting factor.

1.5

CHAPTER SCHEME

1. First chapter deals with the introductory part of the study which consists of the problem, objectives of the study, data and methodology, scope and limitations of the study.
2. The second chapter focuses on the profile of Kerala State Co-operative Rubber Marketing Federation. This chapter includes the aims and objectives of Rubber Marketing Federation, Various activities, Management, and various Marketing channels of Rubber.
3. In the third chapter the progress of Rubber Marketing Federation and Member Societies are recorded by using various parameters from 1981-82 to 1990-91.
4. The main theme of the study i.e., the performance evaluation of Rubber Marketing Federation through member societies and cultivator sellers is given in chapter 4.

5. In the fifth chapter an attempt is made to illustrate the problems faced by Rubber Marketing Federation, Member Societies and cultivator sellers.

6. Finally in the sixth chapter all the threads of the study have been brought together in the form of conclusions and on the basis of these conclusions some suggestions have been made for the further development of the Rubber Marketing Federation, member societies and for the betterment of cultivator sellers.