

PERFORMANCE OF FISHERIES COOPERATIVES IN INDIA- AN EVALUATION OF PRIMARY SOCIETIES IN THANE DISTRICT OF MAHARASHTRA

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ABSTRACT

The fisheries cooperative system in India was devised with a view to providing assistance to the actual producers, the fishers. Fisheries co-operative societies are governed by a separate set of rules to channel government assistance on the principles of self-help and democratic management. A large numbers of fisheries co-operatives have been formed both in marine and inland sectors of the country and contributing to the socio-economic development of the fishers. Presently, there are one National Level Federation, 17 state level federations, 108 central level federations and 12,427 primary fishery societies functioning in India. Maharashtra state, being pioneer in the cooperative movement has the maximum number of primary fisheries cooperative societies in the country and is well known for their contribution to the development of small-scale fisheries. In view of cooperatives' importance in enhancing fisheries development, the present study was taken up in Thane district of Maharashtra with an objective to evaluating the performance of primary fishery cooperatives in marine sector using normalization, scoring and ranking method. The results revealed that the Arnala Fishermens' Sarvoday Sahakari Sanstha Ltd, got the first rank among all the societies surveyed for its overall performance. The results also showed that functioning and performance of most of the societies in Thane district have infused a sense of belongingness among the fisher folk members.

I. INTRODUCTION

In India, most of the fishers (people engaged in fisheries for their livelihood) belong to socio-economically backward communities. India has vast fishery resources with great potential to develop fisheries and thereby improving the socio-economic condition of fishers. Despite having good potential in fisheries, the fishers could not substantially use it for uplifting their socio-economic status due to lack of institutional support like infrastructure and finance. Hence, it was realized that fishermen's co-operatives seem to be the most appropriate organization to improve the socio-economic status of fishers in the country.

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Cooperative is an independent association of individuals coming together voluntarily and democratically managed to meet their common economic, social, and cultural needs and aspirations. Cooperatives are generally voluntarily formed, democratically operated and managed business organization for the purpose of mutual benefit of its members. Importance of cooperative is well documented for the cause of socio-economic upliftment of one of the most downtrodden community in India, the fishermen (Díacruz, 1998).

The fishery cooperative system in India was organized with a view to providing financial assistance to fishermen. Fisheries cooperative societies are regulated by a separate set of rules to channelise government assistance on the principles of self-help and management. The fisheries cooperative structure in India is broadly three-tiered and it consists of a primary co-operative for a village; a district or regional federation; and a state level cooperative federation (BOBP,1983).

Though fishery cooperative movement in India started way back in 1913, the progress of the formation of cooperative societies was quite slow in pre-independence era. Establishment of fishery cooperative societies has made impressive progress particularly after introduction of Five Year Plans in 1950-51 (Rao,1973). There had been tremendous growth in formation of different levels of cooperative societies in India. Presently, there are one National Level Federation (FISHCOPHED), 17 state level federations, 108 central level federations and 12,847 primary cooperative societies functioning in both in marine and inland fisheries sectors of India. These primary fisheries cooperative societies have a membership of about 1.92 million, which are over 32% of fisher population (Anon, 2006).

Efforts made in formation of large number of societies in fisheries sector have yielded good results in some areas but the overall performance of fishery cooperatives is not encouraging (Prakash, 2000). A limited numbers of cooperative societies are successful and able to meet expectations of their members. Majority of fisheries cooperatives still have organizational, managerial, and operational inadequacies making them unsuccessful or inactive. In general, fisheries cooperatives have not reached to desired level due to poor management, lack of skill enhancement mechanism, discouraging production and productivity trends, lack of infrastructure facilities, problematic financing and finance management, and poor linkages with concerned organizations (Anon, 2002).

Maharashtra, being the pioneer state in fisheries cooperative movement in India, has maximum number of primary societies and central federations /societies. The state has 21 central societies and 2217 primary fishery cooperatives with a total membership of 221200. The performance of fisheries societies of Maharashtra state is reported to be comparatively better than rest of India as over 50% of societies (1121) have made considerable profit (www.indiastat.com, 2001). Though fishery cooperatives are being organized steadily, in most cases they have not struck roots in local fishing areas. Though in Maharashtra cooperative societies have yielded expected results particularly in coastal areas, but the overall performance is not encouraging. While the coverage of cooperatives has been quite encouraging because of governmental support, there are limited number of well organized and managed cooperative units in fisheries sector.

In view of the above facts, a study was undertaken to evaluate the performance of primary fishery cooperatives in Thane district of Maharashtra using quantitative and qualitative parameters. The objectives of the study are as follows:

- 1) To study the functioning and evaluate the performance of cooperatives of primary cooperative societies in marine fisheries sector
- 2) To rank the societies in view of their performance

II. METHODOLOGY

Thane is one of the five maritime districts of Maharashtra and located in the north-west of Maharashtra state. The district is having good potential for the development of both marine and inland fisheries. However, fishery in Thane district is dominated by marine sector to a great extent.

Thane district has a total 65 registered primary cooperative societies functioning in both marine and inland fisheries sectors. There are 57 marine fishery cooperatives having a total membership of 15,672 while 8 fishery cooperatives in inland sector with a membership of 1508 (Anon, 03). These societies have been playing a major role in the fishery development of the district.

Considering the predominance of marine sector in overall fisheries of the district and adequate number of marine fisheries cooperative societies, primary societies belonging to marine sector were selected for study.

Out of 57 cooperatives functioning in coastal areas of Thane district, 28 societies were selected giving representation to all the 11 talukas of the district.

The study was conducted during the period from September 2003 to February 2004. The investigator interviewed the Chairman / Secretary of the selected fishery cooperatives societies in Thane district. In normalization and scoring and ranking method both the qualitative and quantitative parameters are taken into consideration for evaluating performance of the societies. The quantitative parameters used for study are capital participation /member, sales turnover to total capital investment, sales turnover to total members, debt-equity ratio and reserve fund while qualitative parameters are audit classification, election, dividend, total membership, women representation, training provided and amount spent on welfare activities.

The performance of the fishery cooperatives for the reference year is to be adjudged in relation to the performance of the last two years. i.e, (growth years) for each of the factors as well as for the total factors. In the case of quantitative factors, weightage is distributed in the ratio 60:40 for the growth (over 2 years) and level of performance (in the reference year) respectively. For qualitative factors also the same weightage of 60:40 is given for growth years and reference year respectively.

Each unit has to be graded on a scale ranging between 0.0 to 1.0 i.e., the best unit gets a grade of 1.0 and the worst unit gets a grade of 0.0 while the rest of the units get a grade between the two limits.

The normalization is being done on the basis of following formula :

$$\text{Normalized value} = \frac{\text{Actual value} - \text{Minimum value}}{\text{Maximum value} - \text{minimum value}}$$

Score for a factor = Normalized value × weightage

This normalization and scoring was done for each of the quantitative and qualitative factors for 28 societies for the growth (last 2 years, i.e. 2000-01 and 2001-02) and reference year (2002-03).

Keeping in view of the guidelines provided by Centre for Agricultural Productivity, National Productivity Council, New Delhi, a weightage of 80: 20 was given for overall quantitative and qualitative factors respectively (NPC, 1993). Based on the final score, societies were ranked according to their quantitative and qualitative performance.

III. RESULTS AND DISCUSSION

Thane district is a well developed coastal district and situated in north-west of Maharashtra. Thane district is spread over an area of 9558 sq km and it has 112 km coastline and continental shelf area of 10,512 sq.km. According to 2001 census, districts' population is 81.29 lakhs.

Thane district has rich fishery resources and there is ample scope for the expansion of the industry. The total fishermen population of Thane district is 80695 of which 16,945 are active fishermen. Besides fishermen, a significant portion of the districts' population is also dependent on fisheries for their livelihood. There are 82 fishermen villages and 29 fish landing centers in the district. The main fishing centres of Thane district are Uttan, Dongarichowk, Vasai, Naigaoy, Arnala, Satpati, Murbe, Dhaktidahanu and Zhai.

Like Maharashtra state, fishery of Thane district is dominated by marine fisheries. The Thane district contributed to the tune of 30% to the total fish production of Maharashtra in the year 2002-03. In the year 2002-03, the district had 2457 mechanized fishing boats and 3135 number of non-mechanized boats operating in the coastal waters. Thane district has also adequate post-harvest infrastructure facilities as there are 57 ice plants and cold stores and 10 freezing plants. The districts' per day capacity of freezing, ice production, and cold storage are 167 tonnes, 1470 tonnes, and 9470 tonnes/day respectively.

Normally, fishing season commences from the month of September and continues till monsoon starts (First week of June). Bag, drift, and trawl nets are commonly employed to catch main species like Bombay duck, pomfret, seer fish, cat fish, penaeid and non-penaeid prawns etc. Non-mechanized fishing boats are employed in near shore areas for fishing while distant grounds are exploited by mechanized vessels.

The fishery cooperative in Thane district plays a very important role in fulfilling the needs of fishermen. The primary societies are affiliated to the Central Society, Thane Zilla Macchimari Madhyavarthi Sahakari Sangh Ltd, Palghar registered as a primary society in 1948 and it became a federated body now. It serves as liaison between primaries and apex body, Maharashtra Rajya Macchimar Sahakari Sangh Ltd, which is situated in Mumbai. The district level federations as well as primary societies are affiliated to the apex society. The district level federations are supposed to be A class members while; primary societies can be either A class members or B class members. Individuals are also enrolled as B class members of the apex society.

Financial details of Thane Zilla Macchimari Madhyavarthi Sahakari Sangh Ltd, Palghar and Maharashtra Rajya Macchimar Sahakari Sangh Ltd, Mumbai show sound financial condition of both Central Society of Thane district and State Federation of Maharashtra.

Table 1. Financial details of Maharashtra Rajya Macchimar Sahakari Sangh Ltd and Thane Zilla Macchimari Madhyavarthi Sahakari Sangh Ltd for the Year 2003-2004 (Amount in Rs.)

Particulars	Maharashtra Rajya Macchimar Sahakari Sangh Ltd	Thane Zilla Macchimari Madhyavarthi Sahakari Sangh Ltd
Members' Share Capital	1,60,000	302940
Membership		
A	364	62
B	2372	*
Reserve fund	5059018	430039
Net profit	196587	434948

*Not available for the particular year

Source: 1. Annual Report of Maharashtra Rajya Macchimar Sahakari Sangh Ltd (2003-04) and
2. Thane Zilla Macchimari Madhyavarthi Sahakari Sangh Ltd (2003-2004)

The primary fishery cooperatives are expected to function as a multi-purpose agency providing credit, supplies, guidance, supervision and utilization of loans, and assembly of fish catch and its transportation to marketing centres, while central and apex societies are to undertake services and supplies, pooling up of catches, processing and marketing. Apex body is also supposed to serve as a liaison between government and the societies. However, it was found that there is considerable overlapping in the functions of these organizations and clear demarcation and proper linkage have not been established.

The main functions of the surveyed primary societies in Thane district are as follows:

- **Coordination and lending of credit facilities from various institutions:** The societies procure the credit from National Co-operative Development Corporation and Thane District central Co-operative Bank located at Palghar and Satpati. The societies recover the loan from the members from the catch proceeds.
- **Transport, marketing and storage of fish :** Most of the societies studied have ice plant and cold storage facilities for the storage of fish. Marketing of fish has been an important activity of the societies and majority of the societies are found to be engaged in marketing. One of the societies (Vasai Taluka Macchimar Sahakari Sangh Ltd) is engaged fully in marketing. The system of cooperative marketing of fish has changed and societies such as Satpati Fishermen Sarvodaya Cooperative Society Ltd started supplying quality fish like pomfrets directly to the exporters such as M/s Alans Sea Foods and M/s Sarigat Fisheries of Mumbai etc.
- **Supply of ice, diesel, rope and other fishery requisites :** Majority of the surveyed societies have undertaken the supply of nylon twine, ropes, nets, diesel, oil, ice, engine spare parts and other fishery requisites on subsidized and at controlled rates to the fishermen.
- **Insurance for boats and life and help from Distress Relief Fund:** Considering the risk and uncertainty involved in the sector, a Centrally Sponsored Group Accident Scheme formulated by National Federation of Fishermen's Cooperatives Ltd (FISHCOPFED) is being implemented through all most all the surveyed societies.

- **Supply of consumption items through society's shops :** Most of the societies have also been engaged in supply of consumption items through their grain shops.
- **Welfare and charitable services :** About 80% of surveyed societies are found to be spending money for welfare and charitable services like education, marriages, building of community halls etc out of the net profit earned in each financial year.
- **Arranging training :** All most all the surveyed societies have arranged fishermen training' for a period of six months for their members at Fisheries Training Centers located at Vasai and Satpati in Thane district. A few societies' board members and staff have attended management training from Cooperative Training Institutes located at Pune.
- **Distribution of profit to members :** Out of 28 surveyed societies, 22 have made profit. Profit making societies had given 12-15% dividend to their members out of the net profit earned.

In order to evaluate the performance of all the 28 surveyed societies, normalization and scoring method was adopted keeping in view of quantitative and qualitative factors. A weightage of 80: 20 was given for overall quantitative and qualitative factors to get a final score for each society. Based on final score societies are ranked. Table-2 indicates the ranking of 28 primary fishermen cooperative societies in Thane district based on their quantitative and qualitative performance :

It is evident from the above table that The Arnala Fishermen's Sarvoday Sahakari Society Limited has been ranked as 1st among all the 28 surveyed societies while Dhakti Dahanu Machimar Vividh Karyakari Sahakari Society Ltd. and Satpati Fishermen Sarvodaya Cooperative Society Ltd. secured 2nd and 3rd rank respectively.

**Table 2. Ranking of Primary Fishermen Cooperative Societies
of Thane district based on quantitative and qualitative scores**

Name of the Societies	Score	Rank
The Arnala Fishermens' Sarvoday Sahakari Society Ltd	0.856	I
Dhakti Dahanu Machimar Vividh Karyakari Sahakari Society Ltd	0.844	II
Satpati Fishermen Sarvodaya Cooperative Society Ltd	0.681	III
Kochivada Macchimar Vividh Karyakari Sahakari Sanstha Ltd	0.663	IV
Dongari Chowk fishermen Cooperative Society Ltd	0.650	V
Satpati Macchimar Vividh Karyakari Sahakari Sanstha Ltd	0.628	VI
Uttan Macchimar Vividh Karyakari Sahakari Society Ltd.	0.607	VII
Vasai Sahakari Koli Macchimar Sahakari Sanstha Ltd.	0.604	VIII
Vasai Taluka Macchimar Sahakari Sangh Ltd	0.581	IX
Mahim Macchimar Sarvodaya Sahakari Vividh Karyakari Society Ltd	0.570	X
Dativare Fishermen Sarvodaya Sahakari society Ltd	0.565	XI
Vasai Macchimar Sarvodaya Sahakari Sanstha Ltd.	0.561	XII
Kelwa Macchimar Vividh Karyakari Sahakari Society Ltd	0.541	XIII
Utkarsh Macchimar Vividh Karyakari Sahakari Sanstha Ltd	0.540	XIV
Naigaov Macchimar Vividh Karyakari Sahakari Sanstha Ltd	0.539*	XV
Gungwada Macchimar Vividh Karyakari Sahakari Sanstha Ltd.	0.539	XVI
Edwon Macchimar Vividh Karyakari Sahakari Society Ltd	0.535	XVII

* Actual score - 0.5393

The Arnala Fishermens' Sarvodaya Sahkari Society Ltd., Arnala, Vasai, Thane was registered in the year 1964. Society and its activities have expended many times since its inception. As on 31st March, 2003, the society had a total membership of 1053 with Rs. 112820/- as share capital. Presently, society has two ice plant cum cold storages, one diesel outlet, one fishery requisite shop, and one truck. Apart from performing its normal activities like channelising NCDC and other banks' loans to its members, implementation of welfare schemes for its members etc, the society had also been engaged in various business activities such as purchase and sales of diesel and fishery requisites, sales of ice, and transportation and marketing of fish. The society has been consistently running in profit for last 20 years and also secured 'A' audit classification every year from 1998-99 to 2002-03. All the business units of the society namely; Fishery Requisite Unit, Ice and Cold Storage Unit, Fish Marketing Unit are reported to be in profits while Transportation Unit is in loss. Net profit of the society had been allocated for distribution of dividend to members (10-12%), to reserve fund (25%) and also for various social welfare, community relief, besides creating development funds by the society. Business details of Arnala Fishermens' Sarvoday Sahakari Society Limited in the last 5 financial years can be seen from the following Table :

Table 3. Progress of Arnala Fishermens' Sarvoday Sahakari Society Limited during 1998-99 to 2002-03

(Amount in Lakh Rupees)

Year	Members -hip	Share Capital	Goods Purchased	Goods Sold	Selling of Ice	Net Profit	Audit Classification
1998-99	950	0.93	59.31	65.16	24.80	7.99	A
1999-00	964	0.96	70.70	82.15	23.98	8.70	A
2000-01	1023	1.07	84.21	92.55	22.86	7.04	A
2001-02	1041	1.10	109.69	111.96	24.95	12.71	A
2002-03	1053	1.13	85.90	89.41	44.56	2.99	A

Second ranked society namely; Dhakti Dahanu Machimar Vividh Karyakari Sahakari Society Limited, Dahanu, Thane was registered in the year 1958. The society had membership of 562 with a share capital of Rs.757795/- as on March, 2003. Society had been engaged in all most all the activities as mentioned in case of number one ranked society. In addition to the business activities performed by the Arnala Fishermens' Sarvoday Sahakari Society, the Dhakti Dahanu Society had one Ration Shop and also conducted trading of cement and cemented sheets. However, the society did not have transportation unit. The sound business performance of the society can be understood by the fact that it had earned a net profit in between Rs.1.05 lakhs and Rs.2.5 lakhs annually from 1998-99 to 2002-03. Society also awarded 4 times (years) 'A' audit classification in the last five years (1998-99 to 2002-03).

Though overall performance of other surveyed societies in Thane district are found to be not equally good as Arnala Fishermens' Sarvoday Sahakari Society and Dhakti Dahanu Machimar Vividh Karyakari Sahakari Society, over 80% of societies have shown profits in their business and contributed significantly to the development of fisheries in their respective areas.

IV. CONCLUSION AND RECOMMENDATIONS

The primary fishery cooperatives in Thane district have made considerable contribution in fishery development of the district. The organization of fishery cooperatives in Thane district has created a substantial improvement in empowering fisher folk to effectively use fishery resources for their well-being. The coverage of Thane districts' fishery cooperatives in terms of credit, storage, preservation, transport, and marketing facilities is relatively better than other districts of Maharashtra. In general, fishery cooperatives of Thane district have undoubtedly proved as ideal organizations for promoting fisheries.

To encourage organizational level productivity improvement through the process of recognition of sustained higher productivity improvement achieved by individual organization in a financial year, the National Productivity Council, New Delhi has instituted National Productivity Awards for inland and marine fish production in cooperative sector in the year 1992-93.

Accordingly, three best fishery cooperatives each from inland and marine sectors have been selected every year for the National Productivity Awards since 1992-93. Considering the large numbers of fisheries co-operative societies in Maharashtra state, such productivity awards should also be given to the best three societies at state level which would inspire other societies to improve their performance.

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