



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

***SOME ASPECTS OF JUTE GROWERS' COOPERATIVES IN,
MYMENSINGH DISTRICT****

Md. Harun Ali and Md. Shamsus Salehin**

ABSTRACT

Jute is an important cash crop in Bangladesh but its per acre yield is low because traditional variety and related technologies are used. An intensive jute cultivation programme is in operation for some year for modernizing jute cultivation through organizing jute growers' associations. This paper assesses the performance of some selected jute growers' associations including the beae6q accrued to the member-farmers due to the formation of the societies.

I. INTRODUCTION

Jute is an important cash crop of Bangladesh. Before and after independence of Bangladesh, jute products have been contributing much to the economic development of the country. The contribution of jute in total export earning decreased from about 77 percent in 1975-76 to about 58 percent in 1982-83 (BBS 1984; BBS 1980). Average area under jute was about 19.41akh acres during the period 1972-75 while it was 14.6 lakh acres during the period 1980-83 (BBS 1984; BBS 1979; GOB 1980). On the other hand, average annual jute production was 9.5 lakh tons for the period 1972-75 while it was 8.61akh tons for the period 1980-83 (BBS 1984; GOB 1980). All these reveal that during the last 10 years both acreage and production of jute have been gradually decreasing

*This paper is a revised version of some sections of the second author's Masters thesis submitted to the Department of Cooperation and Marketing, B.A.U., Mymeisingh. The first author was the supervisor of the thesis.

** The authors are respectively Assistant Professor and ex-Graduate student, Department of Cooperation and Marketing, BAU, Mymensingh. They are grateful to Dr. M. A. Jabbar, Associate Professor, Department of Agricultural Economics, BAU, Mymensingh for his comments on an earlier draft. However, the authors alone are responsible for the views expressed and remaining errors in the article.

in the country. This is mainly due to low price of jute, high demand for foodgrain production, non-availability of improved inputs and traditional method of cultivation.

The Directorate of Agriculture (Exentsion and Management) undertook a new scheme namely "Intensive Plan of Jute Cultivation" in the year 1969-70 with a view to modernizing jute cultivation. The scheme was renamed as "Intensive Jute Cultivation Programme" (IJCP) in 1973-74 season. The specific aims and objectives of the scheme are (a) to increase per acre yield of jute and (b) to improve the quality of jute fibre. To achieve the objectives, new technology has been introduced through jute farmer associations. The technology includes (i) use of improved variety of seeds, (ii) line sowing of seeds, (iii) use of balanced fertilizer, (iv) control of insects and pests, (v) timely sowing and harvesting, (vi) timely irrigation and drainage (if necessary); and (vii) retting jute using improved method. So far 10 lakh acres have been brought under this programme (BBS 1984; BBS 1981). At present, the Department of Agricultural Extension looks after the IJCP. The jute growers' society is a village level organization of the IJCP.

The present study was undertaken to assess the performance of some selected jute growers' societies engaged in modernizing jute cultivation and to examine the pattern of organization, management and financing aspects of the societies in Mymensingh district. Section II presents the data source and method of the survey. Section III contains an analysis of the results. Implication of the findings are presented in section IV.

I. DATA SOURCES AND METHODOLOGY

The study was conducted in the Sadar Upazila of Mymensingh district where there were 25 jute growers' societies in 1979. The study area belongs to the Brahmaputra alluvial soil tract of Mymensingh zone. The soil of the area is clay loam. The study area usually remain unaffected by flood. Jute and different varieties of paddy including High Yielding Varieties (HYVs) are grown under rainfed condition in the Aus and Aman seasons and under irrigation condition in the Boro season.

Two stage stratified random sampling method was followed in selecting societies and member-farmers. From the 25 societies working during 1978-79 to 1980-81, 10 were sampled randomly; then 5 percent member-farmers of each society were also selected at random. Thus 169 out of 3364 member-farmers of the selected societies were sampled. However, some information like growth of membership, own fund, borrowed fund, distribution of improved seeds, distribution of equipment facilities, members' acreage under jute cultivation, members' jute purchase, realization of loan, etc. in respect of all the 3364 member-farmers were collected from the office records of the societies; and only the information like loan receipt, utilization and repayment, receipt of improved technology and facility, problems of the societies, etc. in respect of sample

member-farmers were collected through direct interviews. The information for three years, 1978-79 to 1980-81, were collected. The entire process of collecting data took about 4 months from July to October 1981.

III. DISCUSSION OF FINDINGS

Organizational Structure and Formation of the Societies

According to the 'Bangladesh Pat Chashi Samity' (BPCS) Resolution in 1978 (Samad 1981), the organizational structure of the jute growers' societies under the IJCP is as follows. The village level block jute growers' society is the primary jute farmers association of the IJCP scheme. All the interested jute farmers of the area are entitled to apply for general membership of the society. The target area of operation of each society is 400 acres. The unit pat chashi samity at the upazila level is composed of the Chairmen of the village jute growers' societies of that upazila. The zonal pat chashi samity at the district level is composed of the Chairmen of the unit pat chashi samities of that district. Similarly, all the Chairmen of the zonal pat chashi samities are the general members of the Bangladesh Pat Chashi Samity at the national level.

There is one Jute Extension Assistant (JEA) for each block, one Jute Extension Officer (JEO) for each unit, one Assistant Director for each zone and one Director for Bangladesh pat chashi samity.

The Bangladesh pat chashi samity resolution in 1978 provided rules and regulations for formation of the village jute growers' societies. Under these rules, the JEA posted at village level prepare a list of jute growers. He submits one copy of the list to the JEO at the unit office at upazila level. The JEO reserves the right of accepting or rejecting the farmers' application after making necessary investigation. As per rules of the BPCS, the JEO generally approves the list of the member-farmers of the village jute growers' societies. The aims and objectives behind the formation of the village jute growers' societies are as follows :

- i) To train the member-farmers for proper planning for jute production.
- ii) To train the member-farmers to follow improved methods of cultivation for higher yield.
- iii) To provide financial facilities for jute production.
- iv) To supply necessary improved inputs to the farmers in time.
- v) To provide improved implements among the farmers for better yield.
- vi) To help the growers in selling jute at a reasonable price.

- vii) To develop local leadership among the jute growers.
- viii) To improve socioeconomic conditions of the jute growers.
- ix) To help the farmers in using their resources in proper manner and finally to help them in improving their standard of living.

More than 60 percent of the selected member-farmers reported that though all the above mentioned aims and objectives were considered at the time of forming the societies, in actual practice only a few functions were partially performed by each society under study. Details of such activities performed by these societies during the study period are discussed below.

Regarding the initiative in forming the societies the findings of the study reveals that the local leaders, JEA, JEO members of Union Parishad, local jute traders and Input Supply Officer contributed much in this respect (Table 1). As per rules and regulations of the BPCS all the societies were registered with the Department of Agricultural Extension though this Department is not at all acquainted with the methods and procedures followed in organizing a viable society, maintaining books of accounts and records, management, financing and other related aspects of a cooperative society.

TABLE 1. INITIATIVE TAKEN IN FORMING THE SOCIETIES

Initiators	Number of reporting members	Percentage of total members
Local Leaders	148	87.6
Jute Extension Assistant	131	77.5
Jute Extension Officer	124	73.4
Members of Union Parishad	86	50.9
Local Jute Traders	81	47.9
Input Supply Officer	64	37.9

Management of the Societies

Management of a society was vested in a managing committee consisting of 13 members. They were elected from amongst the general members for 3 years. The educational qualification of the members of the committees varied from primary to Bachelor level. The main functions of the committee were to call quarterly general meetings to discuss various issues relating to the jute cultivation through the societies. Besides, the committees performed such other functions as to assist the official personnel of the IJCP, to extend credit to the member-farmers and to collect the same from the members, to keep records of the loan, the assets and liabilities of the societies, to prepare working reports for presenting the same in the general meetings, to prepare the annual budget, to record the functions of the societies and to prepare the progress report.

It was mentioned by 75 percent members under study that all the societies were irregular in holding their general meetings. Similarly, the meetings held by the managing committees were also not very regular. The percentage of attendance in the general meetings was not at all satisfactory (37 percent), but the attendance in the managing committee meetings was quite satisfactory (88 percent). There was a provision to hold general meeting every 3 months but it was found that the general meetings of 10 percent, 80 percent and 10 percent of the societies were held four times, three times and two times respectively in a year during the study period. On the other hand, there was also a provision to hold the managing committee meeting every month but in practice it was found that the managing committee meetings of 40 percent, 47 percent and 13 percent of the societies were held 11 times, 10 times and 9 times respectively in a year during the period under study.

The members also stated that there was no Accountant in any of the societies under review. The secretaries of the societies had to maintain the books of accounts and records. None of the Secretaries had any idea and/or training in this respect. So, the books of accounts and records were not maintained properly and regularly in any of the societies. Moreover, no regularity was maintained in auditing and supervising the books of accounts and records of the societies by the officials of the IJCP scheme. Out of the 10 selected societies under study audit was done in 3 societies in 1979-80 and in 2 societies in 1980-81. In 1978-79 there was no audit in any of the societies.

Financing of the Societies

The working capital and financial resources are vital factors to run a society. The capital requirement of the societies under study are met from two sources namely the internal and external sources. The internal sources of finance were only membership fees and subscription from the members. There was no provision for share capital and savings programme in the societies under review. As per by-laws, there was provision

to create reserve and welfare funds from the earnings of the societies but in practice in none of the societies these funds were created. On the other hand, the only external source was institutional loan which was extended to the members by the upazila level office of the IJCP. However, during the study period annual internal fund per society varied from Tk. 140 in 1980-81 to Tk. 300 in 1978-79, average being Tk. 236.67. Out of total internal capital 84.9 percent was from membership fees and 15.1 percent from members' subscription. This fund was mainly incurred for running the societies. During that period annual external fund per society varied from Tk. 43,398 in 1978-79 to Tk. 58,880 in 1979-80, the average being Tk. 48,702. This fund was disbursed to the individual members of the societies for the purpose of jute cultivation. The findings of the study also indicate that the share of external fund to the total working capital of the societies was so much that the internal fund seemed very insignificant (Table 2).

TABLE 2. INTERNAL AND EXTERNAL FUNDS PER SOCIETY (TK)

Year	Internal fund			External fund
	Membership fee	Subscription	Total	
1978-79	242.50 (80.8)	57.50 (19.2)	300.00 (100)	43397.80
1979-80	230.00 (85.2)	40.00 (14.8)	270.00 (100)	58880.00
1980-81	130.00 (92.8)	10.00 (7.1)	140.00 (100)	43827.20
3 year average	200.80 (84.8)	35.80 (15.2)	236.70 (100)	48701.70

Figures in parentheses indicate percentages

Source : Field Survey 1982.

Functioning of the Societies

The results of the study indicate that membership per society increased from 266 in 1978-79 to 336 in 1980-81, i.e. an increase of 26 percent (Table 3). The acreage under

jute cultivation per society varied from 356 acres in 1978-79 to 388 acres in 1980-81. The three year average was 377 acres against the target of 400 acres. Again, jute acreage per member varied from 1.30 acres in 1978-79 to 1.10 acres in 1980-81. The average acreage per member was 1.20 acres (Table 3). It appears that jute acreage per society increased, whereas acreage per member decreased in the later years. This was mainly due to increase of membership with small jute acreage.

TABLE 3. MEMBERSHIP, JUTE ACREAGE AND YIELD OF THE SOCIETIES BY YEAR

Year	Average membership per society	Jute Acreage		Yield per acre (mds.)
		per society	per farmer	
1978-79	266	356.00	1.30	19.9
1979-80	308	386.10	1.20	20.9
1980-81	336	387.80	1.10	20.6
3 year average	303	376.60	1.20	20.5

Source : Field Survey 1982.

Yield of jute per acre varied from 19.9 maunds in 1978-79 to 20.9 maunds in 1979-80. The three year average was 20.5 maunds (Table 3). This yield rate was reasonably higher than the national average which was about 14.5 maunds (BBS 1984). On the other hand, this yield rate was greater than the production rate before organizing the societies in the areas under study. The sample members stated that per acre yield of jute was 13 maunds under traditional variety while it was 16 maunds under HYV of jute before organizing the societies through the IJCP. This high yield was due to the partial application of improved technology which consists of HYV seeds, fertilizers, line method of cultivation, use of implements and insecticides in jute cultivation by the jute growers under the societies.

In jute cultivation credit was provided for labour cost of land preparation, HYV seeds, chemical fertilizers, labour cost for weeding and harvesting of jute fibres. The study reveals that during the period 1978-79 to 1980-81, loan received per society varied from Tk. 43,398 to Tk. 58,880 and the percentage of loan receiving farmers varied from

21.6 to 51.8 (Table 4). Only chemical fertilizers were provided as loan in kind. Out of the total loan extended 68.5 percent was in cash and 31.5 percent was in kind. The receipt of loan per member varied from Tk. 297.70 to Tk. 320.90 during the period under study (Table 4). The variation of credit among the societies and members was mainly because of variation of jute acreage under cultivation through the societies.

All the loan receiving members utilized their cash loan only for weeding and application of insecticides in their jute fields. Out of total cash loan, about 92 percent was spent for weeding and the remaining 8 percent for insecticides application. The amount of credit (both cash and kind) was not sufficient in relation to jute acreage under cultivation so the members had to incur the available cash loan mainly for weeding operations. They also used available kind loan as chemical fertilizers at less than recommended rate due to lack of insufficient kind loan.

The percentage of repayment was little more than 72 percent of the loan amount fallen due (Table 4). The reasons for loan falling overdue were low price of jute in the open market and lack of proper marketing facilities from the societies. These problems were stated by all the sample members.

TABLE 4. YEARWISE LOAN POSITION OF THE SOCIETIES

Year	% of societies received loan	% of members received loan	Average loan received(Tk.)		% of loan in kind	% of loan repaid
			Per society	Per member		
1978-79	100	50.0	43398	298	28.0	96.0
1979-80	100	51.8	58880	321	31.0	73.9
1980-81	59	21.6	43827	299	39.7	47.2
3 year average	—	41.1	48702	306	31.5	72.3

Source : Field Survey 1982.

Jute yield can be increased by the use of improved seed to a considerable extent. The proportion of sample farms purchasing and using improved variety of jute seeds varied from 85 percent in 1978-79 to 56 percent in 1980-81. Amount of seeds sold to each of the societies varied from 22.6 maunds in 1978-79 to 17.3 maunds in 1980-81. On the other hand, purchase of seeds per member varied from 4 to 3.6 seers during the period. It was observed that the amount of jute seeds sold per society and the amount of seeds purchased by each member decreased in successive years (Table 5). This was so because the farmers were advised by the Jute Extension Assistant and others to retain their own jute seeds for next years' use.

In respect of method of cultivation and equipment facilities it was found that out of 3 years in each year about 49 percent of the farmers were provided with the equipment facilities by the respective societies. These equipments were hand hoes for weeding, seed-drills for line sowing and sprayers for applying insecticides. It was also observed that one hand hoe was used by 18-21 farmers, one seed-drill by 14-17 farmers and one sprayer was used by 104-117 members during the period. The study further reveals that out of 169 selected farmers only 10, 19 and 25 farmers followed the method of line sowing in 1978-79, 1979-80 and 1980-81 respectively (Table 5). This was mainly due to insufficient number of seed-drills in each of the societies.

Regarding the marketing facilities the study indicate that in the first year (1978-79), the societies did not purchase jute. But in 1979-80 about 7 percent member-farmers sold their jute to the societies while in 1980-81 the number increased to about 14 percent (Table 6). This means that the facilities for purchasing jute in the societies had been increasing but the rate of increase was highly inadequate. The societies purchased member-farmers' jute at the rate of Tk. 115 per maund. The open market price of jute varied from Tk. 87 to Tk. 107 per maund during the period under study.

In respect of extension activities and developing leadership among the jute farmers all the selected members stated that one village extension agent was assigned to train the jute growers on improved method of cultivation. He was also assigned with the task of supervising the practical application of the training by the member-farmers. Moreover, for the growth of leadership, the member-farmers of each society were divided into ten groups. Again from the group members, one was selected as group leader. The group leader prepared a demonstration plot and applied knowledge of training in his plot and all other members followed the same in their respective jute plots. The leadership cycle revolved among the members in each group in each year. Thus, the jute growers' societies tried to develop leadership among the member-farmers.

TABLE 5. IMPROVED TECHNOLOGY PROVIDED BY THE SOCIETIES

Year	HYV seeds				Equipments			% Sample farmers followed line sowing
	% farmers purchased	Amount sold per society (mds.)	Amount purchased per farmer (seers)	% farmers received facilities	No. of farmers used one equipment			
					Hand hoe	seed drill	separator machine	
1978-79	85	22.6	4.0	47.0	18.1	14.4	104.1	10.0
1979-80	75	21.5	3.6	48.6	19.7	15.5	107.1	19.5
1980-81	56	17.3	3.6	48.7	21.0	16.9	117.1	24.9
3 year average	72	20.5	3.7	48.1	19.3	15.5	109.5	18.3

Source : Field Survey 1982.

TABLE 6. SALE OF JUTE PRODUCED BY THE MEMBER-FARMERS

Year	Sale to the societies			Sale to the open markets		
	% of farmers sold jute	% of amount of jute sold	Price per maund (Tk.)	% of farmers sold jute	% of amount of jute sold	Price per maund (Tk.)
1978-79	—	—	—	100.0	100.0	87.1
1979-80	11.8	6.7	115.0	88.2	93.3	100.8
1980-81	20.1	13.8	116.5	79.9	86.2	107.3
3 year average	10.6	6.8	115.7	89.3	93.2	98.4

Source: Field Survey 1982.

IV. IMPLICATIONS OF THE FINDINGS

The foregoing analysis on the selected jute growers' societies under the IJCP scheme reveals that though there were some constraints the programme helped to increase per acre yield of jute to a considerable extent. Moreover, there was further scope to increase per acre yield of jute through this programme if these constraints of the jute growers' societies could be removed. The most important of these constraints were (i) lack of proper method in organizing the society, (ii) mismanagement of the societies, (iii) lack of own fund of the societies, (iv) insufficient institutional credit facilities, (v) insufficient equipment facilities, (vi) lack of jute marketing and fair price, (vii) lack of training on improved method of jute cultivation and management of the societies ; and (viii) lack of appropriate registration authority of the societies.

REFERENCES

- Bangladesh Bureau of Statistics (1979) : *Monthly Statistical Bulletin of Bangladesh*. Dhaka : Statistics Division, Ministry of Planning, Government of the People's Republic of Bangladesh.
- (1980) : *Statistical Pocket Book of Bangladesh*. Dhaka : Statistics Division, Ministry of Planning, Government of the People's Republic of Bangladesh.
- (1981) : *Bangladesh Population Census (Draft)*. Dhaka : Statistics Division, Ministry of Planning, Government of the People's Republic of Bangladesh.
- (1984) : *The Statistical Year Book of Bangladesh*. Dhaka : Statistics Division, Ministry of Planning, Government of the People's Republic of Bangladesh.
- Government of the People's Republic of Bangladesh (1980) : *The Second Five Year Plan 1980-85*. Dhaka : The Ministry of Planning.
- Samad, M.A. (1981) : *Agami Diner Kribhak*. (A Discussion on Social Conditions in Bangladesh). Dhaka: First May.