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## ***MUKTA PADDY MARKETING PROJECT: AN EVALUATION***

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### **ABSTRACT**

This paper attempts to analyse various aspects of Mukta paddy marketing project as a pioneering cooperative marketing venture and evaluate its performance. In spite of much potentiality the project seems to have failed to provide benefits to the farmers as expected. The farmers' participation also has not been encouraging. To improve the performance of the project a number of measures have been recommended.

### **I. INTRODUCTION**

Owing to the pressing need for cash money most of the Bangladeshi farmers are compelled to sell their paddy during or immediately after harvest at a low price. The farmers with their small marketable surplus are widely scattered and disorganized and are often exploited by unscrupulous middlemen who wield greater bargaining power. They also receive low prices for their paddy due to lack of knowledge about proper method of market preparation and quality control. As an attempt to overcome these - problems and to give the farmers a better deal, a paddy marketing project, popularly known as Mukta project, started functioning at Muktagacha Upazila Central Cooperative Association under the auspices of Bangladesh Rural Development Board (BRDB), Food Department and the World Bank.

The Upazila Central Cooperative Association (UCCA) at Muktagacha which was established in 1973 had 435 societies (Krishak Samabaya Samities and other societies) under its jurisdiction covering 212 villages and 18, 105 farm families in 1984 (UCCA 1984). The

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This paper is a revised version of a report prepared for the P/AO Marketing Project in Bangladesh in May 1985.

programmes of the UCCA include saving, credit, distribution of irrigation equipment, insecticide and fertilizer, irrigation management, training and extension services. The paddy marketing programme has been added to the list since November 1978.

Under the Mukta marketing project the farmer-members sell their paddy to the UCCA through the Krishak Samabaya Samiti (KSS) during or immediately after harvest at the prevailing market prices. The UCCA with its greater bargaining power and better storage facilities hold the paddy and sell the entire amount to the traders and millers when the prices offered in the market seem to have reached the peak level. The benefits of the higher prices are distributed among the participating farmer-members in the form of a bonus. Encouraged by the apparent success of the Mukta project as a pioneering cooperative marketing venture, the BRDB is trying to replicate the programme to other areas of the country. However, it is imperative that the project must be properly evaluated before it is extended elsewhere. The idea of Mukta project and its objectives have attracted the attention of policy makers. Therefore, it will be helpful for them to get an insight into what is happening there in practice. This paper attempts to do that by analyzing various aspects of the Mukta project.

In section II, the sources of data are discussed. Section III mentions the organization and management of Mukta project. The marketing practices at UCCA and KSS levels are described in section IV. Section V analyses marketing performance of the project and farmers' participation. Recommendations are given in the concluding section.

## II. SOURCES OF DATA

For collection of relevant data a survey was conducted in the month of April 1985. Three separate sets of questionnaires were used for three levels of the Mukta marketing—UCCA, KSS and farmer. The UCCA level information was obtained from BRDB officials attached with the project. For collection of information at KSS level, Mukta managers of 20 KSS were selected randomly for interview from the list of KSS which participated in 1983-84 and 1984-85 Mukta marketing programmes. Eleven out of 20 managers attended the interview session and filled up the questionnaire schedules. The farmers from five participating KSS out of these eleven KSS were selected for eliciting information on marketing practices and facilities. The farmers interviewed were grouped into 3 categories : (i) farmer-managers, (ii) farmer-members selling to Mukta project and (iii) farmer members not selling to Mukta project. All the 11 Mukta managers who attended the interview session also filled up the questionnaire schedules as farmers. A sample of 100 farmer-members, 50 in each group, was drawn randomly for interview. Some farmer-members were not able to answer all the questions asked and therefore, the number of respondents varied from one question to another.

Besides using the questionnaires personal visits were made to the project office at Muktagacha for discussions with the concerned persons. Secondary information published in reports and bulletins has also been used.

### III. ORGANIZATION AND MANAGEMENT OF MUKTA PROJECT

Since its inception in 1978, the BRDB has been responsible for overall supervision and management of the Mukta paddy marketing project effected through the Muktagacha UCCA and participating KSS. From 1978 to 1983 the Food Department provided technical help mostly through the services of the Food Inspector deputed to the programme. During the same period the World Bank supplied advisory, financial and technical help. Another collaborating agency was British Council which provided technical assistance particularly in developing the marketing training programme.

The KSS acts as a liaison between the UCCA and farmers and plays an important role in the implementation of the Mukta project. To be eligible to participate in the project, a KSS must at least belong to B category on the basis of its performance with regard to share, savings, loan recovery and regularity of meetings. The managers of the participating KSS are required to undergo the Mukta training programme.

Although the Mukta project does not have any permanent staff of its own, a number of officials like Rural Development Officer and Assistant Rural Development officer from the BRDB and Accountant, Inspector, Store Keeper and Guard from the UCCA at Muktagacha are attached with the project. They are required to devote a part of their office time in running the administration and supervision of the Mukta project. It may be noted here that there is a proposal to recruit one chief inspector (marketing), one store keeper and one night guard exclusively for the Mukta project—all on full-time basis.

The physical facilities like office and training rooms are also provided to the Mukta project by the BRDB or UCCA, Muktagacha. The project owns a pucca godown which was commissioned in 1984 and has a storage capacity of 400 tons. It also owns a projector for training, one weighing scale for buying and selling of paddy and one moisture meter for testing the quality of paddy.

Mukta marketing project places special emphasis on a short training programme which covers topics like objectives of Mukta project, quality assessment, calculation of Batta (penalty) and maintenance of accounts. A total number of 167 managers, 402 farmer-members and 89 officials went through the Mukta marketing training programme between 1978-79 and 1983-84 (UCCA 1984). After receiving training the managers and farmers are required to go back to their villages and disseminate the gained knowledge to fellow farmer-members through training sessions and demonstrations.

The BRDB officials at Muktagacha, through the UCCA Managing Committee, perform the overall responsibility of managing the Mukta project and determining the policy issues. The Project Director, BRDB, Mymensingh, is also concerned with the decision making process. For immediate implementation and supervision of the marketing programmes there is a Mukta Sub-Committee which consists of chairman and director representing the UCCA managing committee, three members representing participating KSS, one Inspector and the Assistant Rural Development Officer (member-secretary). The UCCA managing committee decides on the recommendation of the Mukta sub-committee the time of purchase and sale, quality, quantity and price of paddy, etc. At the KSS level there is a six-member Executive Committee normally consisting of one chairman, one vice-chairman, one model farmer, one manager and two members. The executive committee meetings are periodically held, while the general meetings are supposed to be held every week. The participating farmer-members either elect or select a Mukta manager who normally happens to be the KSS manager.

The development expenses of the Mukta project were financed from external sources. Till 1983 the Mukta marketing training costs were borne by the World Bank. The operational expenses which include purchase of paddy, payment of primay bonus, purchase of gunny bags, handling charges, etc. are met from funds borrowed from the UCCA and the Sonali Bank. The officials who are involved with the Mukta marketing project also receive their salaries from the BRDB or UCCA, Muktagacha.

For maintenance of accounts and records at the UCCA level, a purchase register, a tally register and a stock register are maintained. The weight, quality and stock certificates (WQSC) also serve as a useful document for Mukta project. At the KSS level there are purchase and sale registers in which all information regarding purchase of paddy from farmer-members and sale of paddy to Mukta project is recorded by the manager. Each farmer-seller is supplied with a pass book for keeping record of transactions with the KSS.

#### IV. MARKETING PRACTICES UNDER MUKTA PROJECT

During the initial years only Pajam variety of paddy was bought under Mukta project. However, in recent years, other varieties of paddy such as Chinese in Boro season and Nazirshail, Banshiraj (Biroi) and IR-8 in Aman season have also been included in the programme. Till now, none of the varieties of paddy in Aus season has been bought under Mukta project. Once the period during which paddy will be purchased in Aman and Boro seasons is fixed by the UCCA managing committee and Project Director, BRDB, Mymensingh, a notification specifying a purchase date for each KSS is served. Each Mukta manager is supplied with gunny bags and a lot number before the purchase date.

When the paddy is brought to the UCCA, the Inspector (marketing) verifies its quality for acceptance and determination of Batta. The quality of paddy is assessed on the

basis of moisture content, foreign materials, immature paddy and admixture. The level of acceptability and rates of Batta are shown in Table 1.

At UCCA the weighing is made at the local market rate (i.e. 84 Tolas a seer), although the farmers are paid at the standard weight (i.e. 80 Tolas per seer). The remaining 4 Tolas per seer or 2 seers per maund are valued at the purchase price and paid as weight bonus at some later date. When the paddy is finally accepted, the WQSC is issued to the KSS.

**TABLE 1. QUALITY OF PADDY AND BATTA DETERMINATION IN MUKTA MARKETING PROJECT**

Determinant	Acceptable without Batta	Acceptable with Batta	Rate of Batta	Not acceptable
Moisture	Upto 14 percent	Upto 15 percent	Taka 1.00 per maund	Above 15 percent
Foreign materials (sand, dust, etc.)	Upto 2 percent	Upto 4 percent	Taka 2.00 per maund	Above 4 percent
Immature paddy	Upto 1 percent	Upto 3 percent	Taka 1.00 per maund	Above 3 percent
Admixture	Upto 5 percent	Upto 7 percent	Taka 0.50 per maund	Above 7 percent

Source : Office of the Rural Development Officer, Bangladesh Rural Development Board, Muktagacha, Mymensingh.

After purchase, the paddy is stored for a period of two to three months. The in-storage loss of paddy comes to about one-fourth of a seer per maund. Although no charge is made for using the storage space, expenses are incurred for buying chemicals and paying insurance.

Between 1978-79 and 1980-81 a portion of the paddy was processed into *Atap rice*, popularly known as Mukta rice. The Mukta project made contracts with local mills for

processing and received 24 seers of rice per maund of paddy—a rate of conversion which is rather low. Bran and broken rice were appropriated by the mills. Before despatching the Mukta rice was packaged into 5-pound polyethylene bags at the UCCA centre.

Contrary to one of the stated objectives, the Mukta project started selling paddy in open market rather than to the government procurement centre from the very first year of its inception. Before 1981 a certain portion of the paddy was sold at Muktagacha market and the remaining portion was converted into Mukta rice and sold to consumers mostly through Dhaka COSCOR and Bangladesh Marketing Society whose commission was fixed at Taka 1 per 5-pound Mukta rice packet. The Mukta rice marketing programme which rather looked promising (Ali *et al.* 1980) has been discontinued since 1981 reportedly due to a hitch over higher rate of commission demanded by the departmental stores. Since then the entire amount of paddy purchased under Mukta project is being sold to traders and millers through tenders.

Payment for paddy purchased under Mukta project is made at three different times. After purchase of paddy and issuance of WQSC, the money is immediately paid to the Mukta manager concerned so that he can make payments to the farmer-members within 24 hours. This amount includes the value of paddy at the standard weight and the actual transport cost (not exceeding the transport bonus of Taka 5 per maund). Within a month or so after the issuance of WQSC, the primary or KSS bonus which includes the weight bonus and the balance of transport bonus is paid to the farmer-members. The profitior UCCA bonus is given to the farmer-members after final disposal of paddy. A service charge of 15 percent is deducted from the profit and the rest is distributed at differential rates to the farmer-members through a ceremony arranged at the UCCA centre.

At the KSS level, the Mukta manager of the participating KSS collects paddy from farmer-members on a specified date and at specified price. He usually announces the price, date and place of collection at the weekly general meeting. The present study finds that about 83 percent of the KSS made the announcement within 7 days and the rest within 8 to 15 days. As regards the place of collection, it was observed that about 83 percent KSS procured paddy at farmer's home while 8 percent at manager's home/KSS office and 9 percent at other places.

Before purchase of paddy the manager verifies its quality. For any deviation from specified qualities, he determines the Batta at rates prescribed by the Mukta project (Table 1). The methods of quality assessment at KSS level include chewing a few grains for determination of moisture content and counting or eye estimation for determination of admixture, immaturity and foreign materials.

Weighing of paddy at KSS level is usually done by the farmers themselves at the rate of 84 Tolas per seer. During weighing 3 Chataks of paddy are collected from each bag and kept aside in a sample box, which later constitute the sample bonus for the far-

mers concerned. After the purchase, entries about quantity, Batta and price of paddy are made by the Mukta manager in farmer's pass book and KSS's purchase register.

After purchase of paddy from farmer-members, the Mukta managers deliver it to the UCCA godown on the same day or next day. The study observes that about 50 percent of the KSS surveyed were situated within 5 miles of the UCCA while about 33 percent were between 5.01 to 10 miles. About 17 percent of the KSS had to cover an average distance of 12 miles to bring their procured paddy to UCCA. The modes of transport for shipment of paddy from KSS to UCCA included bullock cart (25 percent), rickshaw (25 percent) and both (50 percent), and they respectively covered an average distance of about 5, 8 and 6 miles.

The price of paddy the Mukta managers receive from UCCA in cash is usually paid back to the farmer-members on the same day. A study conducted in 1980 showed that out of 28 farmers 23 received payment within 24 hours of selling paddy to Mukta managers, 3 farmers within 2 days and only 1 farmer within 7 days (Ali *et al.* 1980).

#### V. MARKETING PERFORMANCE OF MUKTA PROJECT AND FARMERS' PARTICIPATION

The amount of paddy transacted under the Mukta marketing programme shows year to year fluctuations rather than a growing trend. Table 2 indicates that the volume of paddy handled over the years at various levels—UCCA, KSS and farmer—remained low. The maximum amount of paddy transacted in a year, i.e. about 888 maunds of Boro in 1983-84 and 3,738 maunds of Aman in 1984-85, is not high enough for a cooperative marketing organization which aspires to become viable and self-sustaining. At the time of selling paddy the management also fails to exert its bargaining strength often succumbing to the pressure of collusive traders to depress the prices.

The ultimate test of a cooperative marketing organization lies in whether it can secure for its members a price substantially higher than what they themselves can get. The Mukta project exhibits the farmers' benefits by highlighting the bonuses paid to them, namely transport bonus, weight bonus, sample bonus and profit bonus. The sample bonus could not be ascertained in this study due to lack of data. However, the amount of such bonus per maund would be very insignificant, any way. Since the calculation of farmers' benefits in terms of gross benefit (i.e. sale price and bonuses) may be misleading, it should be measured, as it has been done in this study, in terms of net benefit which is gross benefit received minus marketing costs incurred by the farmers.

Table 3 shows that in 1984 Boro season the gross benefit received by the farmers from the Mukta marketing project compared favourably with the average price they received from the total sale at hom and market. But the net benefit received from the sale



TABLE 2. VOLUME OF PADDY TRANSACTED UNDER MUKTA MARKETING PROJECT, 1978-79 TO 1984-85.

(maunds)

Year	Purchase of Aman paddy			Purchase of Boro paddy		
	Total	Per KSS	Per farmer	Total	Per KSS	Per farmer
1978-79	111.74	27.94	4.47	60.00	15.00	2.00
1979-80	922.62	40.11	8.16	323.81	64.76	12.95
1980-81	1410.12	141.01	16.21	412.38	103.10	17.93
1981-82	712.86	41.93	9.50	438.10	33.70	15.11
1982-83	1848.74	56.02	14.01	616.19	68.47	17.12
1983-84	1047.62	52.38	12.78	888.38	98.71	8.88
1984-85	3737.52	133.48	17.80	N.A.	N.A.	N.A.
Average	1398.75	70.41	11.85	456.48	63.96	12.33

Source : Office of the Rural Development Officer, Bangladesh Rural Development Board, Muktagacha, Mymensingh.

N.A. = Not applicable.

**TABLE 3. BENIFITS RECEIVED BY PARTICIPANT FARMER-MEMBERS  
FROM SELLING PADDY TO MUKTA MARKETING PROJECT  
DURING BORO SEASON, 1984**

(Taka per maund)

Particular	Mukta Project	Outside Mukta project		
		Market	Home	Total
Gross benefit	207.09	201.50	206.10	203.34
Price	185.00	201.50	206.10	203.34
Transport bonus	5.00	—	—	—
Weight bonus	11.88	—	—	—
Sample bonus	N.E.	—	—	—
Profit bonus	5.21	—	—	—
Marketing cost	5.85	8.45	0.75	5.37
Cleaning, drying, etc.	1.50	0.75	0.75	0.75
Transportation	3.80	1.40	—	0.84
Market tolls	—	3.78	—	2.27
Sweeper charge	—	2.52	—	1.51
Batta	0.55	—	—	—
Net benefit	201.24	193.05	205.35	197.97

Source : Survey data.

N. E. = Not estimated.

at Mukta project was found to be only marginally higher than the net benefit received from total sale outside the project. Even this marginal edge is mainly due to the extra cost the farmer has to incur in the market for payment of market tolls and sweeper charges. Table 3 also shows that the farmers received relatively higher net benefits while selling at home.

These findings are particularly surprising since the participating farmers sell their best quality paddy to the UCCA and the UCCA is supposed to sell the entire amount of paddy during the period when highest prices are offered in the market. It has been found that the farmers sold about 8 percent of their paddy outside the project at prices above Taka 225 per maund (Table 4) whereas they received Taa 206.54 by selling to the Mukta project (Table 3). All these are indicative of weakness in sales negotiation and mismanagement on the part of the Mukta project authorities.

Mukta project inspite of its considerable potentiality has largely failed to create a linkage between production credit and marketing. The KSS involved in Mukta project did not get any extra preference from the UCCA for obtaining credit. Only 58 percent of the participating KSS borrowed a total amount of Taka 52000 from the UCCA in

**TABLE 4. AMOUNT OF PADDY SOLD OUTSIDE THE MUKTA PROJECT AT VARIOUS PRICES BY PARTICIPANT FARMER-MEMBERS DURING BORO SEASON 1984.**

Price level	(Amount in percent)	
	Market	Home
Upto Taka 180	12.23	20.89
Taka 181 to 200	55.21	29.64
Taka 201 to 225	24.79	40.94
Above Taka 225	7.77	8.53
All	100.00	100.00

Source : Survey data.

1984 apparently for agricultural production. No distinction is also made between the production of Mukta and non-Mukta varieties of paddy while issuing loans by the UCCA. As the credit was not linked with marketing, the repayment was poor—only 29 percent.

Bureaucratic procedures greatly hinder the performance of Mukta marketing project. The UCCA managing committee seems to play a more dominant role in decision making than the Mukta sub-committee. Major decisions like time of purchase and sale, fixation of prices at which to buy and sell, amount of loan to be taken from the Sonali Bank, etc. usually need approval of the Project Director or higher officials of the BRDB. Farmers' participation in decision making is minimal.

The selected Mukta managers and participant farmer-members were asked to express their opinions about the weakness of the Mukta project. The opinions are summarized and ranked in Table 5. According to the officials involved in Mukta project, the main impediments to the efficiency of paddy marketing were uncertainty of bank loan, underdeveloped roads and lack of transport facilities, lack of conveyance for Inspector (marketing), limited fund for Mukta training, low transport bonus and lack of full-time personnel.

There is apparent lack of enthusiasm among KSS as well as farmers to join the Mukta project. During the last seven years the number of KSS participating in Aman season increased from 4 in 1978-79 to the maximum of 33 in 1982-83 while the corresponding numbers for Boro paddy were 4 in 1978-79 and 13 in 1981-82 (Table 6). In 1983-84 out of a total of 354 KSS only 20 and 9 participated in Aman and Boro seasons, respectively. Table 6 also shows that the number of total farmers selling to Mukta project remained low in both Aman and Boro seasons. According to the present survey, the average number of farmers per KSS stood at 57 while the numbers of participating farmers were only 11 and 8 in 1983-84 Boro and 1984-85 Aman seasons, respectively.

The low level participation by the KSS is evident in terms of joining date, availing opportunities and continuity of participation. According to Table 7, most of the participating KSS (about 82 percent in Aman and 64 percent in Boro seasons) did not join the Mukta project at their first opportunity. None of the participating KSS availed more than 50 percent of the total number of opportunities to sell paddy to Mukta project after joining (Table 8). As regards continuity of sale, there was no participating KSS which sold Aman or Boro paddy to Mukta project for more than three years at a stretch (Table 9).

The level of farmers' participation was also poor in terms of the availability and sale of paddy to the Mukta marketing project. Table 10 shows that a small proportion of the total marketable surplus of Mukta paddy was sold to Mukta project by the participant farmer-members—about 27 percent for Aman and 36 percent for Boro. The managers on an average sold 61 and 31 percent respectively of the available Aman and Boro paddy to the Mukta project.

TABLE 5. PARTICIPANT FARMERS' OPINION ABOUT THE WEAKNESS OF MUKTA MARKETING PROJECT

Nature of weakness	Farmer-managers' response (percent)			Ranking (number)	Farmer-members' response (percent)			Ranking (number)
	Number 1 weakness	Number 2 weakness	Number 3 weakness		Number 1 weakness	Number 2 weakness	Number 3 weakness	
Defective management at UCEA	8.33	—	—	6	16.67	4.26	4.26	4
Defective management at KSS	—	20.00	71.43	3	16.67	23.40	25.53	3
Inadequate training on marketing	16.67	60.00	14.29	1	9.52	55.32	36.17	2
No credit for marketing purposes	41.67	—	14.28	2	57.14	14.89	29.79	1
Low transport bonus	—	10.00	—	7	—	—	4.26	5
Low price	8.33	10.00	—	5	—	2.13	—	5
Rules difficult to grasp	25.00	—	—	4	—	—	—	—

Source : Survey data.

**TABLE 6. PARTICIPATION BY THE FARMERS AND KRISHAK SAMABAYA SAMITI IN MUKTA MARKETING PROJECT-1978-79 TO 1984-85**

(Number)

Year	Aman season		Boro season		Farmer per KSS	
	KSS	Farmer	KSS	Farmer	Aman season	Boro season
1978-79	4	25	4	30	6	8
1979-80	23	113	5	25	5	5
1980-81	10	87	4	23	9	6
1981-82	17	75	13	29	4	2
1982-83	33	132	9	36	4	4
1983-84	20	82	9	100	4	11
1984-85	28	210	—	—	8	—

Source : Office of the Rural Development Officer, Bangladesh Rural Development Board, Muktagacha, Mymensingh.

**TABLE 7. JOINING OF PARTICIPATING KRISHAK SAMABAYA SAMITI IN MUKTA MARKETING PROJECT**

Joining date	Number of KSS (percent)	
	Aman season	Boro season
Within 1 year of establishment	18.18	36.36
Within 2 to 3 years of establishment	54.54	9.09
Within 4 to 6 years of establishment	18.18	27.27
Yet to join	9.09	27.27

Source : Survey data.

Note : Year of establishment of either KSS or Mukta marketing project whichever is later. About 50 percent of the selected KSS were established before the inception of Mukta project.

**TABLE 8. AVAILING THE CHANCES TO SELL PADDY TO MUKTA MARKETING PROJECT BY THE PARTICIPATING KRISHAK SAMABAYA SAMITI**

Availing of chances	Number of KSS (percent)
Upto 20.00 percent	36.36
20.01 to 35.00 percent	36.36
35.01 to 50.00 percent	27.27
Above 50.00 percent	—
All KSS	100.00

Source : Survey data.

**TABLE 9. CONTINUITY OF SALE TO MUKTA MARKETING PROJECT BY THE PARTICIPATING KRISHAK SAMABAYA SAMITI**

Continuity of sale	Number of KSS (percent)	
	Aman season	Boro season
More than 3 years	—	—
3 years	—	9.09
2 years	9.09	27.27
Discontinuation	36.36	18.18
Joined in 1984/yet to join	54.55	45.46
All KSS	100.00	100.00

Source : Survey data.

**TABLE 10. AVAILABILITY AND SALE OF PADDY TO MUKTA PROJECT  
BY THE PARTICIPANT FARMERS OF KRISHAK SAMABAYA  
SAMITI**

Availability of Mukta paddy	Volume of sale (percent)			
	Aman season		Boro season	
	Manager	Member	Manager	Member
Upto 30.00 maunds	62.62	38.46	—	47.45
30.01 to 50.00 maunds	—	30.85	29.82	29.87
Above 50.00 maunds	59.33	18.02	32.37	37.50
All	61.20 (37.14)	27.25 (35.68)	31.09 (54.09)	36.10 (23.67)

Figures in parentheses indicate the amount available for sell to Mukta marketing project in maunds.

Source : Survey data.

One of the important objectives of the Mukta marketing project is to encourage participation of small farmers. Small farmers may be defined in terms of area and production. By any definition, however, it appears that the small farmers' participation in Mukta project remains poor. Table 11 shows that about 71 percent of non-participant farmer-members owned an average farm area of 1.62 acres while about 55 and 49 percent of participant farmer-managers and farmer-members were either medium or large farmers. The volume of paddy production was also lowest for non-participant farmers. Nevertheless, the non-participant farmers were found to produce and have a surplus of Mukta paddy which they did not sell to the Mukta marketing project at all (Table 12).

Why did a substantial number of farmer-members not participate in the Mukta project although they had a marketable surplus of Mukta paddy at their disposal? In reply to this question most of the non-participants who sold paddy elsewhere said that it was difficult to improve the quality of paddy upto the Mukta standard. Other reasons for not participating in the Mukta project were sale on specific date, difficult rules, low transport bonus, less profitability, etc. It may be mentioned here that about 22 percent of the non-participant farmer-members did not have any surplus to sell at all.



**TABLE 11. AREA OF LAND OWNED BY THE PARTICIPANT AND NON-PARTICIPANT FARMERS OF KRISHAK SAMABAYA SAMITI UNDER MUKTA PROJECT**

Area owned			(percent)
	Participant farmer		Non-participant farmer
	Manager	Member	
Upto 2.50 acres	45.46 (1.79)	51.35 (1.64)	70.59 (1.62)
2.51 to 5.00 acres	45.45 (4.60)	29.73 (3.52)	29.41 (3.45)
Above 5.00 acres	9.09 (8.00)	18.92 (7.79)	— (—)
All	100.00 (3.63)	100.00 (3.36)	100.00 (2.16)

Figures in parenthesis indicate the average area owned in acres.

Source : Survey data.

**TABLE 12. MUKTA PADDY PRODUCTION BY THE PARTICIPANT AND NON-PARTICIPANT FARMERS AND ITS AVAILABILITY TO MUKTA MARKETING PROJECT**

Particular			(maunds)
	Participant farmer		Non-participant farmer
	Manager	Member	
Boro paddy production	98.68	66.08	44.03
Mukta varieties	77.05	36.65	21.31
Other varieties	21.63	29.43	22.72
Aman paddy production	81.46	71.57	47.91
Mukta varieties	46.00	44.22	32.63
Other varieties	35.46	27.35	15.28
Amount available for sell to Mukta project	91.23	59.35	28.83
Boro paddy	54.09	23.67	10.88
Aman paddy	37.14	35.68	17.95

Source : Survey data.

## VI. RECOMMENDATIONS AND CONCLUSIONS

The Mukta marketing project inspite of immense potentiality seems to have failed to materialise into a success story. However, in order to improve the performance of the project and make it an economically viable and self sustaining organization the following measures are recommended :

1. With a view to checking interference and minimizing bureaucracy, the Mukta sub-committee should be re-vitalized by increasing its powers and functions and be re-designated as Mukta Committee. The committee will formulate all policies under general guidance of the UCCA managing committee and BRDB and perform all decision making functions. A KSS manager from not more than 15 adjacent KSS should be included in the Mukta committee for greater ventilation of farmers' point of view. The Mukta project must have a full-time Marketing Officer who will be responsible for overall administration and supervision of the project. He will act as a member-secretary of Mukta committee and execute its policy decisions. The project will have other permanent staffs once the volume of transaction starts expanding.

2. In order to increase the volume of purchase, the Mukta programme should be expanded to include other varieties of paddy. The project should not only buy paddy from the KSS but also from any farmer-member who wishes to sell directly to the project at his convenience within the specified purchase period. An incentive bonus in the form of higher prices than those prevailing in the market may be introduced in place of weight bonus. The incentive bonus will be high when the market price is low at the beginning (i.e. during harvest period) and low when the market price is high towards the end of purchase period. The transport bonus should be paid at the time of sale to Mukta project on the basis of distance rather than at a flat rate. For Mukta managers there should be incentive in the form of rewards for handling larger volume of paddy during a

3. Advertising campaigns through effective media will be necessary for highlighting the qualitative superiority of Mukta paddy to attract the attention of non-local traders and millers. This will increase competition and enhance the bargaining strength of the project. The committee should be more vigilant and judicious about fixing the time to sell the paddy at its disposal.

4. Women folks in rural Bangladesh play a predominant role in post-harvest operations which have considerable impact on the quality of paddy and its marketing. A training programme for women may therefore be undertaken. At the initial stage this training may be linked with the women development programmes of the BRDB. The training programme for women should specially be designed so that it may be imparted mostly through demonstrations and discussions. The present training facilities on post-harvest techniques and quality improvement at the KSS level should be expanded to accom-

mmodate small farmers and daily labourers who also play an important role in post-harvest operations.

5. A mechanism should be developed for the much needed linkage between credit, production and marketing. The farmer-members, particularly the small farmers who will grow Mukta paddy and take part in Mukta marketing should get preference for obtaining loans from the UCCA. They should also get preference for fertilizer and irrigation facilities provided under the UCCA programmes. The farmers who will take loans may have the options to pay back by selling paddy to the Mukta project. The existing training on marketing should be integrated with the training on improved production practices of Mukta paddy.

6. The dependence on bank loans to meet the operational expenses of the project should gradually be reduced. For this purpose, a fund may be generated by setting aside a part of profit and by accumulating the Batta money and the service charges.

7.. Once the Mukta project has necessary man-power and capital of its own, the marketing programme of Mukta rice may be revived. An ancillary programme may also be undertaken on experimental basis to include the marketing of another important crop between Aman and Boro seasons which will increase storage capacity and man-power utilization and enhance profitability of participating farmers.

On the whole, it may be concluded that Mukta marketing project has considerable potentiality to grow into an economically viable and self sustaining organization. As its prospect for economic viability increases, the subsidy to the Mukta paddy marketing project should gradually be withdrawn.

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