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DISCUSSION REPORT (Paper by Mr. B.A.T. Phillips)

The discussion opened on the question of whether the cooperative system of marketing should exist alongside other marketing systems and the commodities that are best suited to cooperative marketing. It was agreed that to be successful a cooperative must operate along strict business and economic lines.

There was then discussion on the ability of cooperatives to obtain the capital required especially in the light of the distribution of profits. It was suggested that these cooperative societies should start as small organisations needing little capital. For example, a marketing cooperative dealing with ground provisions could clean, grade and sort the produce with very little additional capital input. If the cooperatives are successful some profits could be retained to provide capital for further expansion. There can also be assistance by the State, particularly in the field of training and management.

The point was then raised as to how cooperatives could provide farmers with higher incomes. It was stated that farmers' marketing cooperatives would provide the services of wholesalers and retailers. The farmers would get the initial price for the produce but would also share in the profits of the cooperatives based on the amount of business conducted with the co-operative. Besides this capital invested in the cooperative would receive a fixed return.

The ability of the cooperative to perform all the functions of the market mechanism was then discussed. In particular, the questions of market information, consumer preference and price policy were discussed.

Finally, the question of second level cooperatives replacing the present Agricultural Marketing Corporations was then discussed.