

# THE ROLE OF NAFED

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The National Agricultural Cooperative Marketing Federation of India (NAFED) was established in the year 1958 as an apex organization of State Marketing Federation at the national level with the primary objectives of assisting its constituents in the marketing of their produce and to arrange supplies of goods required. It made a significant progress in diversifying and expanding its activities in the field of foreign trade, marketing of fresh fruit and vegetables, distribution of agricultural machinery, supply of agricultural inputs and packing requisites.

The membership of NAFED is open to state and national level cooperative organizations. The position of membership of NAFED can be seen in Table 1.1. It is clear that primary marketing and processing societies form the base upon which the whole edifice of NAFED is built. Numerically they account for more than 90 percent i.e. 800 out of total of 854 of the total membership of NAFED. Share of state level marketing federations (25), apex level marketing federations (3) state level tribal and commodity federations (24).

Table 1.1

S.NO.	Particulars	No. of Members
1.	State level marketing federations	25
2.	Apex level marketing federations	03
3.	State level tribal & commodity federations	24
4.	Primary marketing/processing federations	800
5.	NCCF & other National-level Organization	02
	TOTAL	854

Source:- Annual Report of NAFED 31.03.2017

During the last 5 years, the membership of NAFED increased from 847 to 854 members.

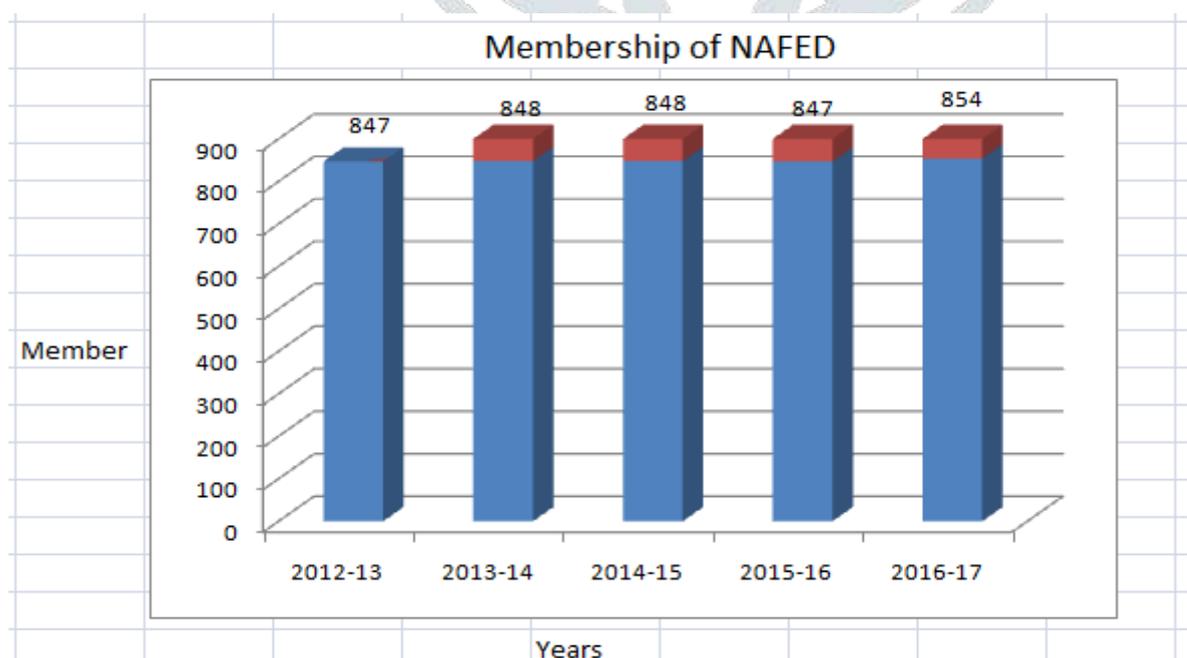


Table 1.2 shows that the share capital of NAFED rose from 9.66 crore in 1984-85 to 12.60 crore in 2002-03, i.e. a twelve and a half time increase through the share capital of NAFED has declined sharply from 23 lakh in 1984-85 to nil since 2002-03 till 2016-17 Now there is no dependence of NAFED on NCDC(National Cooperative Development Corporation)

**Table 1.2****SHARE CAPITAL AND OWN FUND OF NAFED**

(Rs. in Lakh)

Years	Share Capital of Cooperatives	NCDC	GOI	TOTAL	Reserves and other Funds	Total
1984-85	34.13	23.00	18.00	75.13	891.04	966.17
2002-03	926.46	-----	-----	926.46	11333.04	12259.50
2012-13	2174.71	-----	-----	2174.71	(-)4628.92	
2013-14	2182.83	-----	-----	2182.83	(-)31849.23	
2014-15	2406.48	-----	-----	2406.48	(-)47734.25	
2015-16	2417.71	-----	-----	2417.71	(-)62943.58	
2016-17	2428.11	-----	-----	2428.11	(-)657714.53	

Source:- Prepared from Annual Reports of NAFED.

The performance of NAFED can be judged by its total turnover which comprises internal and foreign trade. (Table 1.3)

**Table 1.3****Performance of NAFED**

Crore)

(Rs. in

Years	Internal Trade	External Trade	Total
1984-85	47.34	91.50	138.84
2002-03	1966.92	344.90	2311.82
2014-15	2515.8315	0.5466	2516.378
2015-16	544.1827	-----	544.1827
2016-17	504.7671	-----	504.7671

Source:- Prepared from Annual Reports of NAFED.

In internal trade the main commodities traded are food grains, pulses, oilseeds, horticulture, spices, seeds & fertilizers, poultry products and other commodities (rubber, salt, palm oil etc.). Important commodities covered by external trade are groundnuts, onion, potato, black pepper, rice, turmeric and season seeds etc. Cooperatives have a good impact in the export of various kinds of agricultural commodities. The export of agricultural commodities through the cooperative marketing structure has developed on a large scale only after the establishment of NAFED. The volume of Foreign trade of NAFED which was of merely Rs. 91.50 crore in 1984-85 has increased significantly and rose to 344.90 crore in 2002-03. The need for achieving increased export targets of various agricultural commodities is being keenly felt so as to earn valuable and much needed foreign exchange.

The encouraging nature of export canalisation of onion, groundnuts, niger seeds, season seeds etc. had prompted and enabled the NAFED to undertake purchase from exports from the producing centers by providing remunerative prices to the growers, keeping at the same time internal consumer prices under control. In addition, NAFED has also been able to realize substantial higher unit recovery in foreign exchange in respect of the export canalised through it. A parallel phenomenon is seen in respect of somewhat internal trade. Quantum of internal trade rose continuously from Rs. 47.94 crore in 1984-85 to Rs. 1966.92 crore in 2002-2003. The total turnover of NAFED rose from 138.84 crore in 1984-85 to 504.7671 crore in 2016-17.

To conclude: The Indian agriculturist still stand in need of a fair and adequate system of marketing of his produce. Marketing cooperatives of the farmers in some of the states of India have succeeded remarkably well in securing a fair price for the producer and also increasing the quality of the goods marketed. The NAFED has also played a creditable role in increasing the marketing of agricultural produce both in internal and external trade. Despite these achievements there are still a large number of marketing societies whose performance are not upto the mark. They are hamstrung in their working by factors like dishonesty, mutual jealousies, village faction.

#### REFERENCES:-

1. Annual report of NAFED (1984-1985).
2. Annual report of NAFED (2002-2003).
3. Annual report of NAFED (2016-2017).
4. Annual report of NCDC (1984-1985).

