

AN ANALYSIS OF THE ACTIVITIES PERFORMED BY THE RUBBER PRODUCERS' SOCIETIES AND STRATEGIES TO IMPROVE THEIR PERFORMANCE

T. Siju, Joby Joseph, Binni Chandy, James Jacob and K.N. Haridas¹

Rubber Research Institute of India, Kottayam-686 009, Kerala, India

¹Rubber Production Department, Rubber Board, Kottayam- 686 002, Kerala, India

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A quick study was conducted to examine the reasons for poor/non-performance of Rubber Producers' Societies (RPSs) and device strategies to address the same. The study addresses ways to improve the performance of category B RPSs to become category A and the low performers in category A to become better performers. Existence of a group processing facility was the prime criterion which differentiated Category A and B RPSs in the study area. For enhanced resource use efficiency and to improve the income of farmers under Category B, the possibility of sharing non-functional GPCs among RPSs is proposed. The importance of group processing in RPSs to produce good quality sheets for realizing better farm gate price and the need to sensitize the farmers/RPSs on the same are highlighted. While majority of the RPSs limited their role as stockists and distributors of farm inputs, RPSs under category A having labour banks went a step ahead by organizing input application in member farmers' fields. Only 20 per cent of RPSs studied had labour banks. Though SHGs existed in 67 per cent of the RPSs visited, only 20 per cent were functioning properly. The study also revealed a decline in the share of members actively engaged with the RPSs. Since success of RPSs to a large extent depends on active participation of members and commitment/leadership qualities of the executive committee members, the study suggests identification and encouragement of dedicated farmers and youth having leadership qualities and commitment to serve the community, to participate in the management of RPSs. To keep pace with the changed socio-economic scenario, the study advocates diversification of activities of the RPSs to qualify as complete farm service providers.

Key words: Farm service provider, Group Processing, Labour Bank, Rubber Producers' Society, Sheet rubber, Self Help Group

The Rubber Producers' Societies (RPSs) were established during 1986 to serve as the extension hubs of the Rubber Board with the larger objective of enhancing productivity of rubber and improving income of small and marginal rubber growers through transfer of technology at the grassroots, subsidized input distribution, establishment of group

processing centers and marketing of rubber. Over the years, the RPSs have evolved as a major link between the Rubber Board and the farmers at the grassroots for technology transfer. There were systematic attempts to analyze the functions and outcomes of the RPS based schemes at various stages of evolution of the RPSs. The earliest attempts

to assess the impact on input subsidy scheme (George, 1992; Chandy *et al.*, 1998) reported significant improvement in cultural practices by the member growers attached to RPSs. The evolution of RPSs revealed a steady growth from subsidized inputs distribution-cum-latex collection centers to a full-fledged community processing and technology transfer centre. Empowerment of growers is obvious through technology transfer, quality improvement and employment generation (Rakshit and Nair, 2009). The improvement in quality of processed rubber and higher price realization under the group processing were also reported (Geevergees *et al.*, 2009). The Rubber Self help Groups (RSHG) of RPSs deepened the micro-institutional development by diversified and family based activities and by providing service to growers (Kunjappan *et al.*, 2009). Rubber Board classified the RPS into four as Category A, B, C and D based on

the infrastructure possessed and performance (Usha and Narayanasamy, 2010).

Three decades into the existence of the RPSs, there is a general feeling that performance of many RPS is not up to the mark even as there are some that perform excellently well. But systematic data has been lacking. An understanding of the reasons for differences in the performance of RPSs will help in devising strategies for future improvement. Therefore, the present study was conducted among Category A and B RPSs with the objectives to examine the contributory factors behind the varied performance of RPSs and to suggest relevant policy inputs to rejuvenate the less performing RPSs under Category A and B.

The criteria for classification of RPSs (Table 1) as followed by the Rubber Production (RP) Department of Rubber Board were followed in the study. There are

Table 1. Criteria for classification of RPSs to Category A and B

Category A	Category B
Audit report up to date	Audit report pending for 1 year
Four General Body Meetings including one AGM	One General Body Meeting
Latex collection /Group Processing Centres (GPC) with computer and other accessories	Latex collection
Input supply/rubber procurement	Input supply
Eight to twelve Executive Committee meetings	Eight Executive Committee meeting
Office (own)	Office (rented/own)
Conducting extension schemes	
• Agro-management training	
• Medical camps	
• Seminars	
• SHG formation	
• Capacity building	
• Apiculture etc	-
Linkage with Rubber Board-RPS promoted Companies	-
SHG activities/social welfare activities	-

Source: RP Department, Rubber Board.

2315 RPSs in Kerala (Rubber Board, 2017). Out of this, 20 per cent is in Kottayam District with 51 under Category A, 128 under Category B, 168 under Category C and 117 under Category D. Considering the resource constraints, 8 RPSs under Category A and 7 under Category B were randomly selected for the study.

Data were collected from these RPSs using a structured questionnaire and descriptive statistics was employed for the analysis. According to the present criteria, the major difference between Category A and B RPSs are infrastructure for group processing, conducting extension campaigns and linkage with Rubber Board-RPS promoted companies. The category-wise accomplishment of the different criteria by the RPSs as observed during the survey is presented in Table 2. The table reveals that the presence of group processing facility is the prime difference between Category A and B RPSs.

During its inception the RPSs were expected to perform the following major functions:

- Provide assistance in transfer of technology to members

- Assist members in marketing of rubber to ensure remunerative price
- Establish common processing facilities for producing high quality rubber
- Promote group approach for planting and productivity enhancement and facilitate financial assistance from Rubber Board and other institutions
- Grow nurseries and supply good quality planting materials to members
- Arrange supply of various farm inputs from Rubber Board and other sources to growers
- Participate in joint ventures of RPSs undertaken on regional basis, with or without Rubber Board, for furthering common interest of members

Major activities performed by the RPSs as evidenced from the survey are presented in Table 3 and are discussed below.

Latex collection

Latex collection was the major activity of the RPSs (both categories) in the study area. In both the categories, all the RPSs (100%) have been collecting latex from the members. But it may be noted that while in Category B

Table 2. **Accomplishment of criteria by the RPSs (%)**

Sl. No.	Features	Category A	Category B
1.	Audit report up to date	100	71
2.	GPC with computer and other accessories	100	14
3.	LCC	100	100
4.	Input supply/rubber procurement	100	100
5.	8-12 Executive Committee Meetings	100	57
6.	Annual General Body Meeting	100	100
7.	Conducting extension schemes	100	100
8.	SHG activities/social welfare activities	63	71
9.	Linkage with Rubber Board-RPS promoted companies	100	71

GPC: Group Processing Centre; LCC: Latex Collection Centre; SHG: Self Help Group

Table 3. Activities performed by the RPSs (%)

Sl. No.	Activities	Category A	Category B
1.	Latex collection	100	100
2.	Group processing	88	0
3.	Marketing of rubber	100	86
4.	Distribution of inputs	100	86
5.	SHGs	63	71
6.	Social welfare activities	63	43
7.	Training to members	88	57
8.	Campaign meetings	100	100
9.	Labour Banks	38	0
10.	Tappers Bank	25	0
11.	Soil/leaf testing	0	0

all the RPSs sold latex to Rubber Board-RPS promoted companies or to private companies/agencies, 88 per cent of RPSs under Category A processed latex to sheet rubber and fetched better price to its members (Fig. 1).

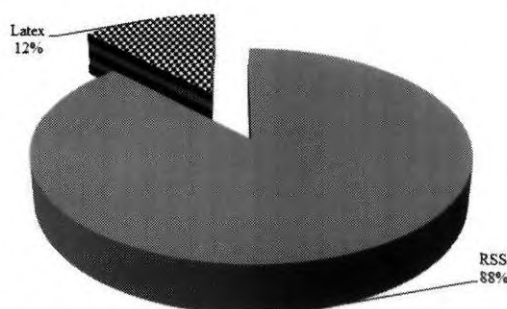


Fig. 1. Mode of sale of NR by Category A RPSs

It was observed that 62 per cent of the RPSs under Category A sold latex to Rubber Board-RPS promoted companies. The remaining in this category sold the latex to private companies/agencies for a better price quoted. Under Category B, 71 per cent of RPSs sold the latex to Rubber Board-RPS promoted companies. A nominal service

charge was collected by the RPSs from its members for organizing latex collection. *Prima facie* one gets the impression that facilitating collection of ammoniated latex has become the prime function of the RPSs. This trend was primarily fuelled by the recent decline in the price of rubber and narrowing price gap between latex and the RSS grades. Once the farmers had switched to sale of latex from processing latex to RSS grade sheets, even if the price of RSS grade revives to profitable levels, the reversal to sheet making becomes difficult primarily for the resistance from the tappers for processing rubber to sheets, the associated costs and inconveniences. Sale of rubber as latex considerably brings down the farm income as the RSS grade fetches better price than ammoniated latex. The average price of RSS 4 (the most common grade of RSS in India) (Rs.135.5 kg⁻¹) was 24 per cent higher than the average price for ammoniated latex (Rs.109.3 kg⁻¹) during 2016-17 (Rubber Board, 2017a, 2017b), while the average cost of processing per kg of RSS 4 was Rs. 6.6 (Rubber Board, 2017c). Moreover, the market for latex in the study area was characterised

by monopsony. The RPSs and member farmers should be sensitised on the inherent threats in this type of market.

Group processing

Group processing of latex to RSS grade sheets was done in seven out of the eight RPSs visited under Category A. The capacity of the Group Processing Centres (GPCs) visited ranged from 500 to 1200 RSS grade sheets per day. RPSs under Category A which had transportation facilities to collect field latex from growers' fields were found collecting latex even from farmers beyond their geographical area of operations and the GPCs were run to full capacity. But RPSs which did not have their own arrangements for collecting latex (86%) from the farmers' fields were found processing latex which was delivered to the RPS by the farmers who could afford and arrange their own means of transportation. Capacity utilisation varied from 60 to 80 per cent in such GPCs as farmers who found it difficult to transport latex to the GPCs sold their produce as ammoniated latex to private companies which collected latex from their fields. Hence, RPSs with GPCs may be encouraged to make arrangements for collection of latex from the growers' field to improve capacity utilisation. It was observed that a few GPCs (38%) were not able to process the entire latex collected into sheets because of poor performance of old smoke houses. They were forced to sell a portion of the latex collected as ammoniated latex causing loss to the farmers.

Most of the RPSs visited under Category A had old and inefficient/out-dated infrastructure for smoking sheets and processing waste water. Most of these infrastructures need to be renovated/upgraded. Innovative, efficient and low cost

techniques for reducing or eliminating bad odour produced during processing of latex to RSS grade and treating the waste water are highly warranted as pollution is emerging as a major concern in group processing. Sixty three per cent of the GPCs visited faced grievances from local residents citing pollution.

Though 70 per cent of the RPSs under Category B wished to establish group processing units, non-availability of suitable land away from the residential area and unavailability of water were the major constraints. Since RPSs under Category B did not have GPCs, sold the latex collected as ammoniated latex and hence, the members are deprived of better price realised for sheet rubber. Hence, the possibility of sharing non-functional GPCs among RPSs need to be explored as a few RPSs under the Category B with no infrastructure facilities for group processing were willing to take up processing if they were given access to non-working GPCs in their vicinity.

Marketing of rubber and distribution of inputs

All RPSs sold the processed sheets primarily to the Rubber Board-RPS promoted companies. Most of the RPSs sold the latex collected to Rubber Board-RPS promoted companies, but 33 per cent of them have at times sold it to private agencies for a better price. Eighty seven per cent of the RPSs visited collected scrap rubber from its members and sold it to the Rubber Board-RPS promoted companies.

All the RPSs under Category A and 86 per cent under Category B were engaged in distribution of various farm inputs procured from Rubber Board-RPS promoted companies. One of the major reasons for this difference is the easiness for RPSs under

Category A in collecting money for inputs supplied from its members, as they supplied their produce to the RPSs. In most of the cases the distribution of inputs was limited to supply of rain guarding materials and agro-chemicals for plant protection since subsidy for other inputs like fertilizers, latex collection cups, chemicals for processing of RSS *etc.* are not available now. While majority of the RPSs limited their intervention in input distribution as stockists and distributors, 38 per cent RPSs under Category A having labour banks went a step ahead by organising weeding, rain-guarding, application of fertilizers and plant protection chemicals in the member's field on payment basis.

It was observed that a few RPSs (25%) faced difficulty in placing orders for various farm inputs with the Rubber Board-RPS promoted companies for the comparatively higher price (than local market), problems in timely supply of inputs in required quantity and non-declaration of price of inputs by the companies at the time of booking of inputs by the members. Since price was unknown, members were not willing to book the inputs in advance. It was opined by the representatives of the RPSs that the members showed interest in procuring inputs from the RPSs only when it is subsidised.

Self Help Groups (SHGs), social welfare activities and campaign meetings

Though SHGs existed in 67 per cent of the RPSs visited, only 20 per cent were functioning properly. While SHGs promoted by the state government like the *Kudumbasree* have institutional/financial support and are involved in micro-finance and various other income generating activities, such support and diversification were absent in the SHGs formed by the RPSs.

It was observed that 53 per cent of the RPSs visited were involved in social welfare activities like conducting medical camps, providing meeting place for organising government programmes in the halls owned by the RPSs, giving financial support to the needy *etc.*

Majority of the RPSs (73%) were conducting trainings on various aspects of farm management and ancillary sources of income to the members. All the RPSs were actively participating in the campaign programmes conducted by the Rubber Board.

Labour bank and tappers bank

Out of the 15 RPSs visited, only two had both labours and tappers bank and one had only labour bank. Thus, only three out of the 15 RPSs visited had either a tappers or labours bank. These RPSs were successful in maintaining the labour bank as they were able to provide round the year employment to the members in addition to non-pecuniary benefits like free accommodation for non-Keralite workers, subsidised/free firewood, electricity *etc.* Twenty per cent of the RPSs visited had no felt shortage of tappers/labourers in the locality and hence, were not interested in setting up labour/tappers banks. Thus need based promotion of tapper banks and labour banks shall be done. Blanket promotion of these activities may not be helpful as the RPSs will be interested only to take up activities which are their felt needs.

Soil/leaf testing

None of the RPSs visited, collected soil/leaf samples from the members for testing as the mobile soil testing laboratory of Rubber Board which used to visit their locality earlier had stopped the service. All the RPSs visited utilised the mobile soil

testing facility when it was available. For site specific soil analysis and recommendation, soil testing shall be promoted among the RPSs. The recently launched online fertilizer recommendation facility of Rubber Board was unknown to 93 per cent of the RPS visited. Extensive campaigns including practical sessions need to be conducted to familiarise various information technology initiatives of the Rubber Board like RubSIS, online Rubber Clinic, and Rubber Call Centre *etc.*

The organizational challenges identified through the study are grouped and discussed below.

Classification of RPSs

The present classification of the RPSs by the Rubber Production Department of Rubber Board into Category A, B, C and D, shall be continued for administrative purposes. Each year the category wise list of RPSs shall be updated based on the set criteria. But for identifying/selecting RPSs for the promotional activities of Rubber Board, the capacity of the RPS as a farm service provider and the felt needs of the locality shall be the prime criteria. This shall be done based on the report of the committee consisting of RPS office-bearers and the local Field Officer of the Board.

Leadership quality of volunteers

The RPSs are run by the farmers for the farmers. It is a voluntary service based management. It was observed that success of RPSs to a larger extent was determined by the commitment and leadership qualities of motivated volunteers in the executive committee. While in the case of Category A, the average time spent by the executive committee was 11 hours a week, it was only two hours for RPSs under Category B. Hence, full time farmers having leadership

qualities and commitment to serve the community need to be identified locally and encouraged to participate in the management of the RPSs. Participation of women/younger generation was meagre in the management of RPSs.

RPS as a farm service provider

In the changed socio-economic scenario, redefining the role and purpose of RPSs is very important. One of the major objectives envisaged in the late 1980s was working at the grassroots for direct marketing of the rubber produced by small farmers in remote villages by protecting them from vested interest groups. However, over the years due to presence of more players in the rural market and infrastructure development, the options available with the rural farmers to sell their produce more profitably have increased. The form of sale of rubber also showed discernible shift towards latex from RSS. Farmers will be interested to be associated with the RPSs only if they were benefited in financial terms. The survey found that out of the total 4817 members associated with the 15 RPSs, only 33 per cent (*i.e.*, 1599) were active members, doing business through the RPSs. Though a surge in membership of RPSs was observed during the implementation of the Rubber Production Incentive Scheme of the Government of Kerala by the RPSs, it was only a temporary phenomenon as farmers were not getting any other financial incentives through RPSs. It was pointed out by the RPSs that the share of part-time farmers, absentee farmers and aged farmers are increasing, considerably affecting timely farm management operations and hence productivity of rubber.

To keep pace with the changed scenario, the RPSs should redefine their role and present themselves as farm service

providers. RPSs could take up all plantation activities including rubber planting, intercropping in young rubber plantations and crop harvesting on a paid basis. This is already being done by a few RPSs/Rubber Board-RPS promoted companies.

Decentralised planning for reviving RPSs

Each RPS is unique for the set of opportunities and challenges faced. Thus to improve the performance of the RPSs, decentralised (RPS-specific) planning by the executive committee of the RPSs and the local Field Officers of Rubber Board shall be promoted. Based on the report of this committee, the Board shall facilitate the means to achieve the targets.

Special taskforce for reviving the RPSs

Help of well performing RPSs shall be sought to rejuvenate nearby defunct or non-performing RPSs. A special task force shall be formulated including members from the well performing model RPS and local Field Officers to study and suggest measures to revive the defunct RPSs. The report of this committee shall be examined by experts of the Rubber Board and facilitate the means to achieve the objectives.

Suggestions to improve performance of RPSs

Based on the observations made, the following suggestions are made to improve the performance of RPSs under Category A and B.

- Committed leadership in the RPSs is essential for its efficient functioning. The RPSs in its present voluntary service based management system face dearth of committed and professional leadership, hence the possibility of restructuring RPSs into professionally managed bodies shall be considered. Committed/ motivated full time farmers shall be identified locally and encouraged to participate in the management of RPSs. The office bearers of the RPSs shall be given leadership and motivational training.
- Group processing of field latex to RSS grades in the RPSs are important to prevent drainage of farm income of small growers. RPSs shall be encouraged to make arrangements to collect latex from the members' fields to ensure full capacity utilization of the GPCs.
- Renovation of smoke houses, wherever required, shall be done on a priority basis to ensure smooth functioning of the GPCs.
- In all GPCs the effluent management/ treatment shall be reviewed by experts. Efficient effluent management shall be ensured through up-gradation of the existing treatment facilities and technology transfer. Assistance (technical/financial) from concerned government agencies need to be explored.
- The possibilities of sharing non-functional GPCs among RPSs need to be explored. This will help in efficient utilization of available resources and up-gradation of Category B RPSs. List of non-functional/underutilised GPCs shall be prepared and updated periodically for the purpose.
- To meet the requirements of the present day rubber farmers, the RPSs has to redefine its objective as complete farm services providers and evolve as successful business units. Capacity building of RPSs in this regard is highly warranted.

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