Summer Training at

इंडियन फारमर्स फर्टिलाइजर कोआपरेटिव लिमिटेड
INDIAN FARMERS FERTILISER COOPERATIVE LIMITED

New Delhi

(April 11 -June 1, 2012)

Study on Lab to Land Programme of IFFCO and its Impact on Sales of Fertilizers

By
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Under the guidance of
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Post Graduate Diploma in Rural Management
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Institute of Health Management Research,
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Certificate

This is to certify that Mr. Abhishek Kumar Sinha has undergone summer training in **IIFCO** from 11th April to 1st June, 2012 .

The candidate carried out all the studies related to summer training herself. His approach to the studies has been sincere, scientific, and analytical. This summer training in partial fulfillment of the course requirement is recommended for the award of Post Graduate Diploma in Rural Management.

I wish his success in all future endeavors.

Dr .P. R.Sodani

(Dean Academics and student affairs)

IHMR ,Jaipur

Gautam Sadhu

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IHMR,Jaipur

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INDIAN FARMERS FERTILISER COOPERATIVE LIMITED

Ref: MKCO/Trg./06/2011-12 04th June, 2012

TO WHOMSOEVER IT MAY CONCERN

Certified that Mr. Abhishek Kumar Sinha pursuing Post Graduate Diploma in Rural Management from Institute of Health Management Research 1, Prabhu Dayal Marg, Sanganer Airport, Jaipur has undergone Summer Training in IFFCO during 11th April, 2012 to 01st June, 2012.

He was assigned the project entitled **'IFFCO Working and Activities towards Rural Development'** which he has completed successfully under the guidance of Sh. R. K. Singh, Sr. Area Manager, IFFCO, Area Office, Varanasi (UP).

We wish all the success in his professional career.

(D. Bhattacharya)
Sr. Executive Director (HR)

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ACKNOWLEDGEMENT

I feel great pleasure in extending my thanks to all who have helped me in completing my summer internship. Without their support, I would have not been able to complete this report.

The experience of training in IFFCO is inexpressible in words. It has not only acquainted me with the working of the corporate world but has also enhanced my knowledge. My training at IFFCO, Varanasi and Phulpur plant would certainly help in my professional front.

I express my humble gratitude to Mr.R.K.Singh (Sr.Area Manager), IFFCO,VARANASI for his guidance and inspiration throughout my summer training which helped me to learn about the company's working and to complete my project work. I would also like to thank Mr.A.K.Pandey and Mr..Jitendra Gangwar (Field Officers), for giving me their valuable time and support to complete my Internship program from IFFCO, VARANASI.

I would like to show my gratitude to Dr.Bachhan Singh, (Principal) Motilal Nehru farmers straining institute.

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Thank you!

(Abhishek kr.Sinha)

Contents

Acronyms/Abbreviations

IFFCO - INDIAN FARMERS FERTILISER COOPERATIVE LIMITED.

KRIBHCO - KRISHAK BHARATI COOPERATIVE LIMITED.

CORDET - CO-OPERATIVE RURAL DEVELOPMENT TRUST.

CSR - CORPORATE SOCIAL RESPONSIBILITY.

IKST - IFFCO KISAN SEWA TRUST.

IFFDC - INDIAN FARM FORESTRY DEVELOPMENT COOPERATIVE LIMITED.

IKSL - IFFCO KISAN SANCHAR LIMITED.

JIFCO - JORDAN INDIA FERTILIZER COMPANY.

ICPL - IFFCO CHATTISGARH POWER LIMITED.

Chapter 1

INTRODUCTION

INTRODUCTION

Agriculture and fertilizers scenario in india

The process of economic development and its growth in the early stages of a developing country is mainly dependent upon the progress of agricultural sector. In India, this sector occupies a predominant position in the economy. It contributes about 24 per cent to the national income of the country and sustains two-thirds population of India. It is the single largest sector providing employment to the extent of 56.7 per cent of the country's work force.

The role of agricultural in India is not restricted to its contribution to national income but also Extends to food security of the nation because it has to feed her mammoth population at present and in future too. It was expected that the total food requirement will be 249 million Tonnes and 322 million tonnes in 2010 and 2025, respectively. The most challenging problem today is that the growth rate of food grain production dropped to 1.66 per cent per annum, which was lower than the population growth rate during period between the 1990-91 and 2000-01.

In the green revolution that occurred in India during 1960s, the use of fertilizer was one of the important factors coupled with fertilizer responsive hybrids and high yielding varieties and irrigation water that resulted in quantum jump in food production. For this reason green revolution is also called as "seed-cum-fertilizer revolution". The contribution of fertilizer, water, improved seeds and plant protection measures to the increased agricultural production was respectively to the extent of 45 per cent, 28 per cent, 12 per cent and 15 per cent. Balanced use of fertilizer is essential to stabilize crop yields and sustain high crop productivity. The new strategy of integrated nutrient management seeks to make the best use of the available nutrient sources, both organic and inorganic as also the complementary agricultural practice so that maximum crop yields can be obtained with fertilizer inputs.

Among all the strategic inputs, fertilizer plays a key role in modern agriculture. Fertilizer has been universally accepted as an integral part of package of practice for raising Indian agriculture to a higher technological plank. It is estimated that the fertilizers in association with water can enhance output by about 70 per cent. Nearly 50 per cent of the increased food grain production in the last decade in the world comes from the increased use of fertilizers (Borlaug, 1996). It is accepted that fertilizer is an expensive agricultural input and therefore, its efficient use is indispensable for reducing the cost per unit of agricultural produce.

In spite of large area of the country having the best kinds of soil in the world, abundance of rainfall, plentiful sunshine and ideal temperature almost throughout the year for crop production, the yield per hectare of crops in India is low. It is due to exhausted soils which have been over cropped from centuries without adequate replenishment for plant nutrients through fertilizer. Thus the role of chemical fertilizer in increasing agricultural production is well established. A corollary of this established fact is that the more fertilizer used the more agricultural production hence the demand for fertilizer in consistently increasing.

Historical evidence indicates that prior to 1940; the use of chemical fertilizer was confined only to plantations and cash crops. For foods crop, use of organic manures was generally recommended. Subsequently, certain unprecedented development such as breakout of World War II and Bengal Famine in 1942 forced the Government of India to take measures for averting any major shortfall in food grain output. Consequently, grow more food campaign was initiated at the national level under which the use of fertilizers was an essential ingredient for increasing the yield of crops in short run. Since then chemical fertilizers have been receiving the prime importance under all agricultural development programmes.

Thus there exists wide variation in fertilizer consumption among the crops and across the districts in the state. It can been observed that due to the indiscriminate use of chemical fertilizer by the farmers led to the poor nutrient use efficiency, low factor productivity, depletion of soil's nutrient reserve and finally increased environmental problems, low yield, and low profit levels due to lack of knowledge about the balanced application of chemical fertilizer and crop requirement. Thus now a days, country is tempted to own organic farming, it is obvious that faming in India without adequate fertilizer input will prove fatal for food security hence it has become necessary to apply the fertilizers to crops with balanced amount in order to meet the needs of growing population.

Realizing the importance of fertilizers in development of agriculture, the union government introduced fertilizer retention price-cum subsidy scheme (RPS) on November 1, 1977. Under these scheme fertilizers was supplied at subsidized prices to farmers throughout the country.

Fertilizer use decisions at the farmers level is a complex process. To start with the farmer has to decide whether or not to use fertilizer. Then follows the decisions of which crops to fertilize and at what rates. The capital rationing and other factors often necessitate decisions on how much crop area to fertilizer. It is generally noticed that farmers are not using recommended levels of fertilizers for the crops under cultivation

ORGANISATION PROFILE

Indian Farmers Fertilizer Co-operative Limited : (IFFCO) was registered on November 3, 1967 as a multi-unit Co-operative Society. On the enactment of the Multi-unit co-operative society. The society is primarily engaged in production and distribution of fertilizers. The byelaws of the society provide a broad frame work for the activities of the IFFCO as a Co-operative society. IFFCO commissioned an ammonia – urea complex at Kalol and the NPK/DAP plant at Kandla both in the state of Gujarat in 1975. The Amonia-urea omplex was set up at Phulpur in the state of Utter Pradesh in 1981. The ammonia-urea unit at Aonal was commissioned in 1988.

In 1993, IFFCO had drawn up a major expansion programme of all the four plants under overall aegis of **IFFCO VISION 2000.** The expansion projects at **Aonla, Kalol, Phulpur and Kandla** have been completed on schedule. Thus all the projects conceived as part of vision 2000 have been realized without time or cost overruns. All the production unit of IFFCO have established a reputation for excellence and quality. A new growth path has been chalked out realize newer dreams and greater hights through vision 2010 which is presently under implementation. As a part of new vision, IFFCO has acquired fertilizer unit at **Paradeep** in **Orissa** in September 2005. As a result of these expansion projects and acquisition, IFFCO's annual capacity has been increased to 3.69 million tons of urea and NPK/DAP equivalent to 1,71 million tones of P205.

IFFCO has made strategic investment in several ventures. Godavari fertilizers and chemicals Ltd (GFCL) & Indian Potash Ltd (IPL) in India, Industries Chimiquesdu Senegal (ICS) and Oman India fertilizer Company (OMIFCO) in Oman are important fertilizer joint ventures. Indo Egyptian fertilizer Co (IEFC) in Egypt is under implementation. As a part of strategic diversification, IFFCO has entered into several key sectors. IFFCO-Tokyo General

Insurance Ltd (ITGI)is a foray into general insurance sector. Through ITGI, IFFCO has formulated new services of benefit to farmers.'Sankat Haran Bima Yojana' provides free insurance cover to farmers along with each bag of IFFCO fertilizer purchased. To take the benefits of emerging concepts like agriculture commodity trading, IFFCO has taken equity in National Commodity and derivative Exchange (NCDEX) and National Collateral Management Services Ltd (NCMSL). IFFCO Chhattisgarh Power Ltd (ICPL) which is under implementation is yet another foray to move into core area of power. IFFCO is also behind several other companies with the sole intention of benefiting farmers. The distribution of IFFCO's fertilizer is undertaken through over 38155 co-operative societies. The entire activities of distribution, sales and promotion are coordinated by Marketing Central Office (MKCO) at New Delhi assisted by the marketing offices in the field. In addition, essential agro-inputs for crop production are made available to the farmers through a chain of 158 farmers services center (FSC). IFFCO has promoted several institutions and organizations to work for the welfare of farmers, strengthening co-operative movement, improve Indian agriculture. Indian Farm Forestry Development Co-operative Ltd (IFFDC), Co-operative Rural Development Trust(CORDET),IFFCO foundation, Kisan Sewa Trust belongs to this category. An ambitious project 'ICT Initiatives for formers and co-operatives is launched to promote e-culture in rural India. IFCCO obsessively nurtures its relations with farmers and undertakes a large number of agricultural extension activities for their benefit every year .

At IFFCO the thirst for ever improving the services to farmers and members co-operatives is insatiable, commitment to quality is insurmountable and harnessing of mother earths' bounty to drive hunger away from India in an ecologically sustainable manner is the prime mission. All that IFFCO cherishes in exchange is an everlasting smile on the face on Indian farmers who forms the moving spirit behind this mission.

IFFCO,today is a leading player in a Indian's fertilizer industry and is making substantial contribution to the efforts of Indian Government to increase food grain production in the country.

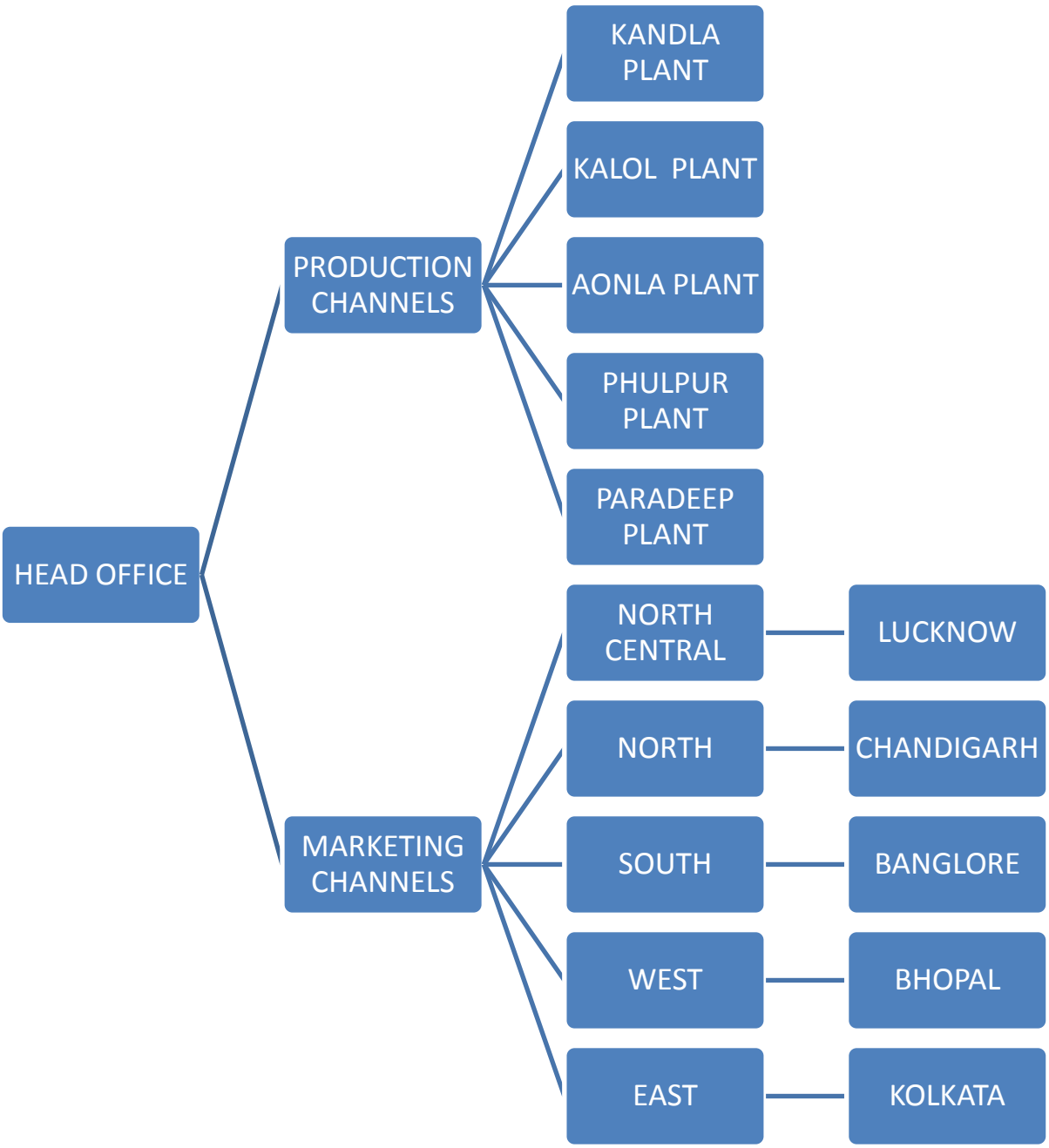
IFFCO's Mission:

IFFCO's mission is "to enable Indian farmers to prosper through timely supply of reliable, high quality agricultural inputs and services in an environmentally sustainable manner and to undertake other activities to improve their welfare"

IFFCO's Vision:

To augment the incremental incomes of the farmers by helping them to increase their crop productivity through balanced energy efficient fertilizers, maintain the environmental health and to make cooperative societies economically& democratically strong for professionalized services to the farming community to ensure an empowered rural India.

ORGANISATIONAL CHART OF IFFCO



Chapter 2

LITERATURE REVIEW

LITERATURE REVIEW

In this chapter an attempt has been made to critically review the past literature that is relevant to the present study. The review would help to keep the research on proper lines and to bring refinement in the study. The research work carried out by various researchers related to the problem under study has been reviewed under the following heads.

1. Production and pattern of consumption of chemical fertilizers
2. Factors influencing use of chemical fertilizers
3. Demand for chemical fertilizers

1. PRODUCTION AND PATTERNS OF CONSUMPTION OF CHEMICAL FERTILIZERS

Saraswat and Singh (2003), Strategy for fertilizer consumption in Himachal Pradesh. The Bihar J. Agri. Makg. The study revealed that the annual compound growth rate in consumption of all fertilizers was 7.06 per cent per annum during the study period. The growth of fertilizer consumption in *kharif* and *rabi* season was 5.88 and 8.29 per cent per annum respectively. The highest annual growth was recorded in Kullu district (9.17%) and the lowest (3.0%) in Kinnaur district. The consumption of total fertilizer in *kharif* declined by 0.41 per cent in Kinnaur.

Mehmood and Shereen (2004), Fertilizer demand and drought 2002. Eco. Aff . In his study he examined the fertilizer demand and drought in India. They observed that of the total fertilizer, 35.1 per cent was used for paddy, 19.3 per cent for wheat, 5.9 per cent for cotton, 5.5 per cent for sugarcane, 4.7 per cent for groundnut, 2.6 percent for maize crop and the remaining consumption was accounted by other crops. On the whole, about 70 per cent of fertilizers were consumed in irrigated area. Another feature of fertilizer consumption in India was that the cereal crops consumed 60 to 65 per cent.

Singh (2004), Fertilizer industry calls for more pragmatic policy. *Agri. Today*, in his study he revealed that per hectare fertilizer consumption in India was less than that in other developed as well as a few developing countries, even though the consumption has increased by six-folds in the last three decades. He also reported that 55 per cent consumption of fertilizer was concentrated in 5 states.

Xavier (2004), Yield response of crops to fertilizer use. Agri. Sit. India. In his study he conducted a study on yield response of crops to fertilizer use in Siragaga district of Tamil Nadu from a survey of 200 farmers. The study revealed that application of N was more than the recommended level in all categories of farmers while that of P fertilizers was less than the recommended. Regarding K, marginal farmers used 44.73 kg/ha while all other farmers used more than the recommended level of 50 kg/ha.

2. FACTORS AFFECTING THE USE OF CHEMICAL FERTILIZERS

Kayarkanni (2000), Fertilizer use on three major crops in Madurai district of Tamil Nadu: An econometric analysis. Agri. Sit India. In his he studied fertilizer use in three major crops in Madurai district of Tamil Nadu from a survey of 324 farmers. The relative price of fertilizer had a greater influence on fertilizer use. It was also found that fertilizer demand for the three crops was price inelastic. It was inferred that other things remaining constant fertilizer use on ten tent farm was more than that on owner farms. The co-efficient of irrigation system dummy was found to be negative and significant for sugarcane and cotton crops. This implied that the use of fertilizer was found to be higher in irrigation system other than the cannal system.

Bezbaruah and Roy (2002) Factors affecting cropping intensity and use of fertilizers and high yielding cropping variety seeds in Burak valley. Indian J. Agri. Eco. He conducted a study to identify the factors affecting the adoption and use of fertilizer by farmers in Barak Valley. They selected agricultural extension officer circle from each of the six agricultural sub-divisions in the region. They observed that the regression coefficients for operational holding, tenancy and low land were significant and expectedly positive. The result suggested that there was no significant variation in the application of fertilizer per hectare with farm size and multiple cropping tenants but the application of fertilizer per hectare by the farmers had been found to be significantly conditional upon availability of irrigation and access to extension service.

Singh and Nasir (2003), agriculture credit flow in Bihar, an economic analysis in his study he says that the agricultural credit flow had positive influence on fertilizer consumption. In general, economic factors viz., irrigation, cropping pattern, area under HYVs, prices of

fertilizers, certainty and size of income, capital rationing and labour cost were the important determinants of fertilizer use on the farms. It was also pointed out that the natural factors like temperature and frequency of drought influenced fertilizer use.

3. DEMAND FOR CHEMICAL FERTILIZERS

Bal and Bal (1999), Fertilizer demand for wheat crop in Punjab. *Indian J. of Agri.Eco*. The study revealed that if the farmers were motivated to use the optimum does of fertilizer, the demand for N would be 3499.82 thousand quintals as against the estimated consumption of 1882.82 thousand quintals for the wheat crop during 1971-72. The consumption of P for this crop was 528.31 thousand quintals against the demand of 1454.23 thousand quintals the same period.

Wagle (1999), Estimation of fertilizer demand and private investment functions in Indian Agricultural – Indian *J. Agri. Eco.,* in his study he say that estimated fertilizer demand and private investment function in India using time series data from 1962-63 to 1988-89. They observed that exclusion of the water variable represent a serious deficiency in the specification of the fertilizer demand function. The chow test for structural stability turned out to be significant at 5 per cent level of confidence in respect of the static model. But it is not so in the dynamic model.

OBJECTIVES

1) To know about working and activities towards rural development.
2) To know the distribution channels of fertilizers.
3) To know the impact of fertilizers on crop productivity.
4) To know about the problems faced by the farmers in the villages.
5) To know about the IIFFCO village adopted programme.
6) To know about all such activities directed towards social, economic, education and agricultural up liftment of the farmers.

Chapter 3

METHODOLOGY

Methods and Material

Primary data:

In Primary Data the information was collected from Manufacturers of Fertilizers, Distributors, Retailers (Cooperatives, FSC, IFDC etc.) and customers i.e. Farmers of the Varanasi district using personal interview.

Secondary Data:

For the study and analysis of marketing divison secondary data from the company, area office, Agriculture records were used.

Sampling Unit:

Farmer's of the Allahabad District. And
Employees of Cooperative Societies of IFFCO, PHULPUR.

Sampling Method:

The method used for sampling is Convenient Sampling depending upon the information provided by the field officer. Geographically the areas of Research were different areas of Allahabad Distt. Consisting of Rural as well as urban Areas. They were Phulpur,Jhunsi, Phaphamau,Mehandiganj and madhai.

Information was mainly collected by attending the promotional activities and villages adopted by IFFCO. Personal interview of some farmers was Conducted to get in depth knowledge about FSCs, cooperative societies and satisfaction level of the farmers.

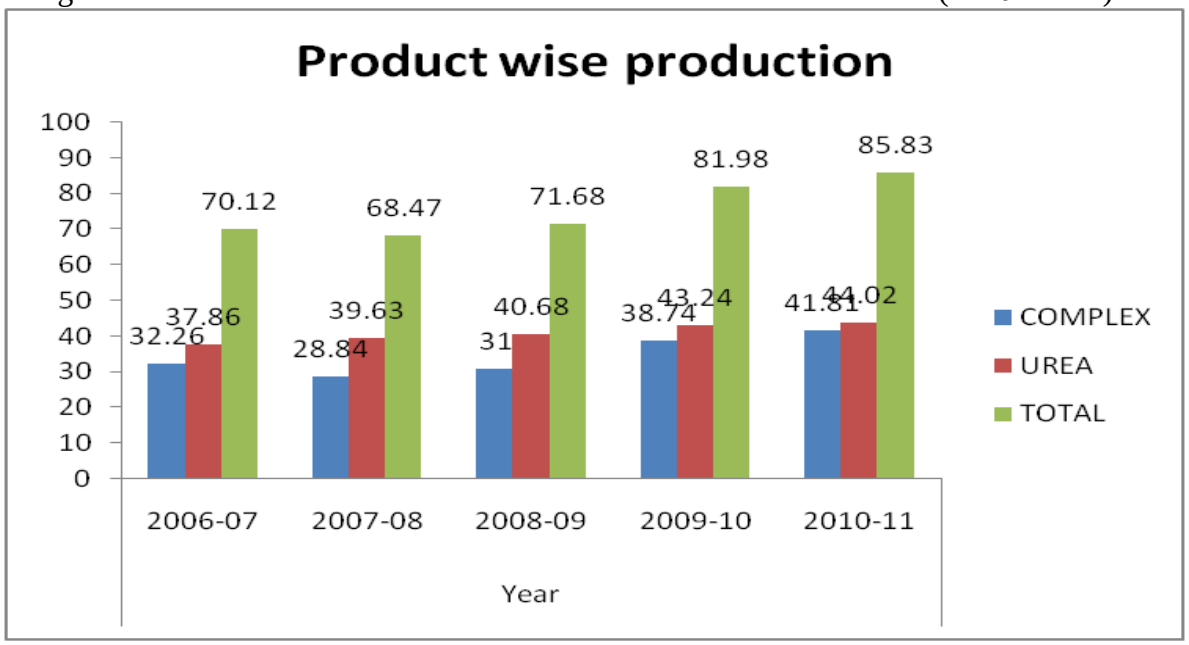
Chapter 4

FINDINGS AND ANALYSIS

PRODUCTION IN IFFCO

1) Product wise production performance

Fig1 (In lakh MT)



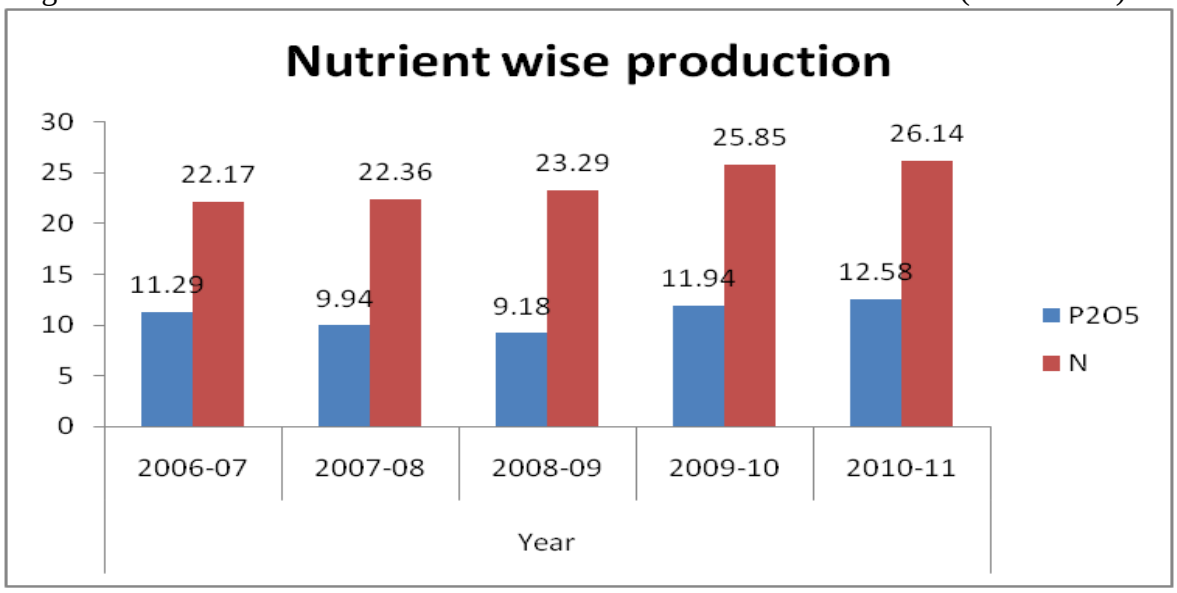
The above figure 1- depict that production of fertilizers is increasing year by year and it has achieved production of about 85.83 lakh metric ton in the year 2010-2011.

Production of urea is more in that region as consumption of urea is too much in the region by the farmers and it was 37.86 lakh metric ton in the year 2006-07 and it has increased up to 44.02 lakh metric ton in the year 2010-11.

Considering 2006-07 as a base year the increase in production of fertilizer raised to 22.40 percent in 2010-11.

2) Nutrient wise production performance

Fig 2 (In lakh MT)

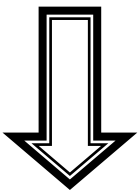


The above figure 2 suggests that - nutrient wise production performance is also increasing comparatively. As all the micronutrients like (N, P, K Ca, Mg, S) are essential for the growth of the plant so the nutrient wise production of the fertilizers has been raised to (N-26.14 lakh metric ton and P2O5-12.58 lakh metric ton) in the year 2010-11.

Comparing 2006-07 as a base year the increase in nutrient wise production performance rose to 11.4 percent (P2O5) and 17.9 percent (N) in 2010-11.

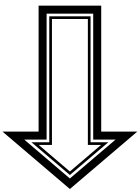
SALES AND MARKETING PROCEDURE

IFFCO FERTILIZERS
BY
ROAD & RAIL

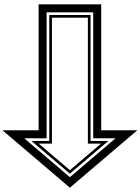


PCF

WAREHOUSE



PACS
NON-PACS
FSC



FARMERS

SALES PROCEDURE IN IFFCO

The three concern involved in the sale procedure of IFFCO are the field officer, the societies and the agencies. IFFCO does not sell its product directly to farmers except FSC. Sale is made through the societies (PACS OR NONPACS) or the Farmers Service Centre (FSC). The sale procedure for all the three societies is different. IFFCO sells its product to PACS through G.P. cheques (GOODS FOR PAYMENT) to NON-PACS Societies through D.D. i.e. DEMAND DRAFT and FSC in cash.

COOPERATIVE SOCIETIES

IFFCO sells its fertilizers through a network of more than 38150 cooperative societies in different states of marketing territory. This societies are well scattered, covering almost all village in the country and are the backbone of the cooperative system nearly 62% of the societies are getting fertilizers directly from IFFCO whereas 29% are getting through the state federation.

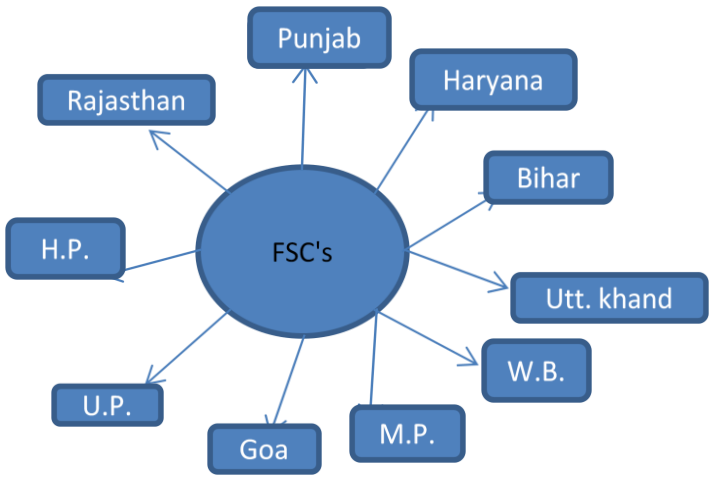
SALE THROUGH G.P. CHEQUES- The member and non members of societies asses the requirement of the surrounding area according to their limits. Then PACS approach for the G.P. cheque. PACS give application to the District Cooperative Bank in which the quantity of fertilizers needed is mentioned. DCB calculate the amt and issue G.P. cheques for the amt to the secretary of the society. The secretary of the society give this cheque along with covering letter to the F.O. who issue the Release Order in which the name of the society, kind and the quantity of fertilizers payment details and warehouse are mentioned. The F.O. gives G.P. cheques to R.O. and R.O. to the transporting agency from where delivery order is issued to the godownkeeper who makes the delivery challan. He gives delivery challan to the truck driver and load the material to the truck. Then the truck drivers unload the truck, submit one copy of the challan at the society and take the receiving of the material on other copy of the challan from secretary of the society. He gives this receipt copy of challan to the godownkeeper. Then he submits all the receipt copy of the challan lifting delivery

statement at the agency on daily basis. Then the agency deposit G.P. cheques along with the receipt copy of challan in DCB. After verifying the signatures on the challan, the bank credit the value of fertilizers in IFFCO account. Then the F.O. approaches DCB for the transfer of the funds to the Uttar Pradesh Cooperative Bank by the way of the loan application or the demand draft. Then the funds from the UPCB are transferred to the Head Office.

Farmers Service Centre

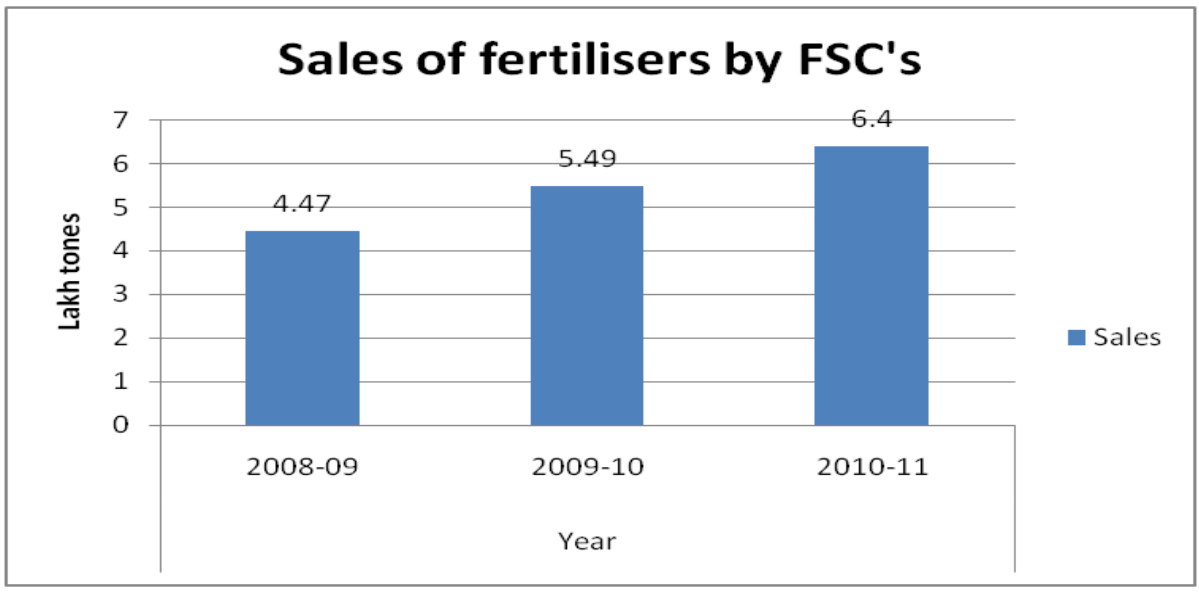
The Society also sensitizes farmers through its own 158 Farmers Service Centre (FSCs) spread over 10 States, namely, Punjab, Haryana, Rajasthan, Himachal Pradesh, U.P., Uttarakhand, Bihar, Madhya Pradesh, West Bengal and Goa. Apart from the supply of fertilizers, seeds, agro-chemicals and so on, under one roof, these centre also serve as the contact point for providing technical know-how to farmers. During 2009-10, these FSCs sold about 5.49lakh tones of fertilizers as against 4.47lakh tones in 2008-09. FSCs have also organized need-based promotional programs such as farmers meetings, soil test campaigns and demonstrations in the villages around FSCs with a view to propagate the message of balanced and efficient use of fertilizers.

Distribution of FSC's : 158 FSC's in 10 states in all over india.



3) Sales of fertilizers by farmer service center

Fig3



The above figure 3- represent that sales of fertilizer through farmer's service center is also increasing relatively and sales increases mainly in the beginning of monsoons. FSC plays an important role in distribution channel of fertilizers. In the year 2008-09 sales was about 4.47 lakh tones and now it has raised up to 6.4 lakh tones in the year 2010-11.

Considering 2008-09 as a base year the increase in sales of fertilizers through FSCs has been raised to 45.4 percent in 2010-11.

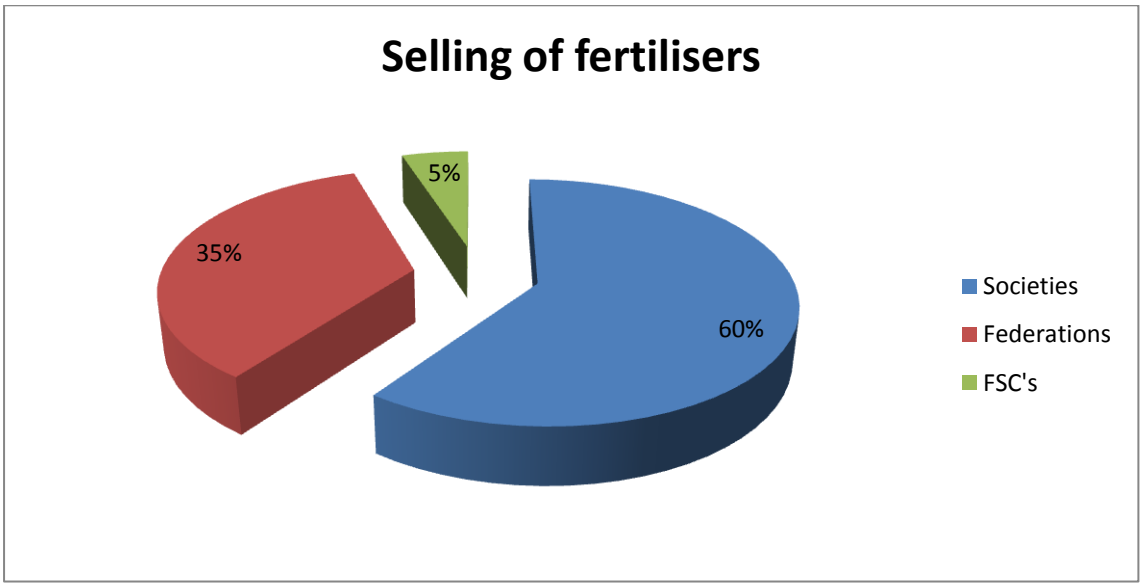
SALE OF FERTTILIZERS THROUGH FSC

FO supervises the FSCs of his area. It is the duty of FO to assess the demand of fertilizers in the concerned district. After assessing the demand, FO issues the release order gives it to the transporter. The transporter goes to the PCF and PCF gives the delivery order to the transporter. He takes the delivery to the godown and godownkeeper gives the fertilizer to the transporter and makes challan. The godownkeeper gives the two copies of challan to the transporter. He supplies the

fertilizers to the FSC. He takes the receiving on one copy of challan from the sales of the FSC and gives the other copy to him. Then the transporters submit the receipt copy of challan in the Area Office along with bill verified by the salesman of FSC.

4) Selling of fertilizers through FSCs, federation and societies.

Fig 4

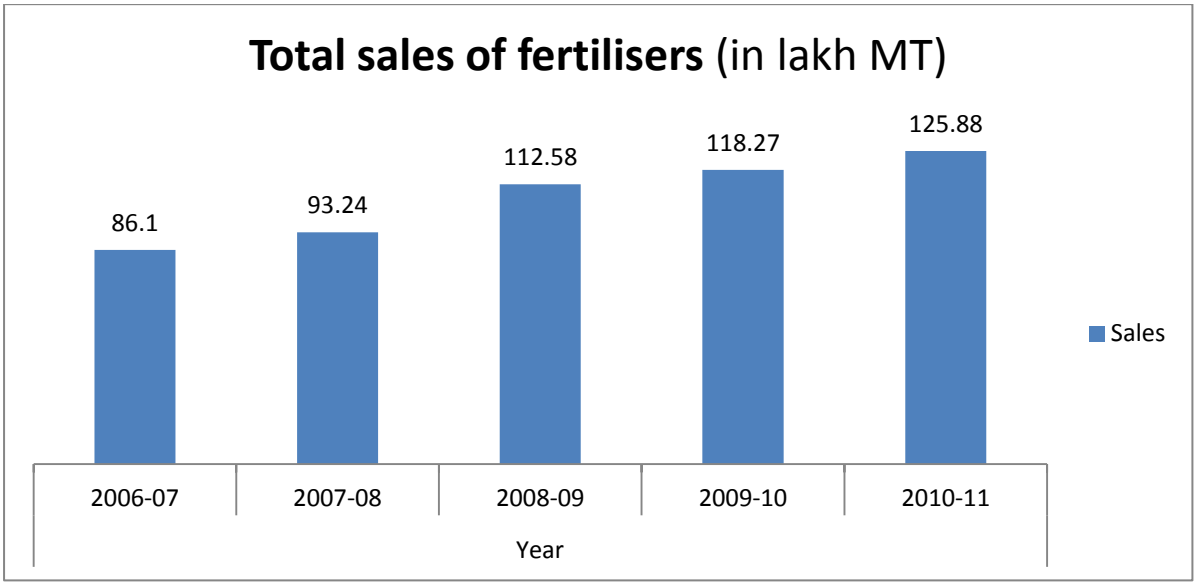


The above figure 4- shows that (60 percent of the fertilizers) are sold by the cooperatives societies, (35 percent) are being sold by federations and remaining (5 percent) through FSCs. Cooperative societies helps the farmers to get fertilizers easily as farmers are the member of that particular societies.

MARKETING SALES PERFORMANCE

5) Total sales of fertilisers

Fig 5

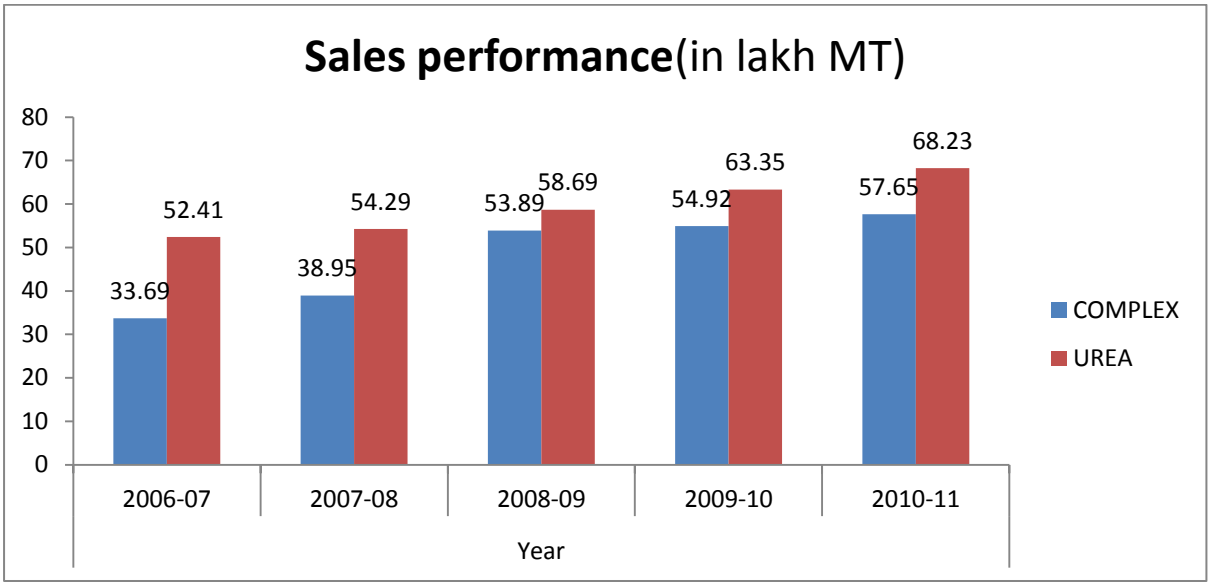


The analysis of the above figure 5- depict that sales of fertilizers is also increase as compare to the last 3-4 years and reason is the more awareness programme and activities conducted by IFFCO. Total sales of fertilizers in the year 2006-07 was about 86.1 lakh metric ton and in 2010-11 sales of fertilizers has increased up to 125.88 lakh metric ton.

Comparing 2006-07 as a base year increased in total sales of fertilizers has been raised to 46.2 percent in 2010-11.

6) Sales performance of the fertilizers

Fig 6

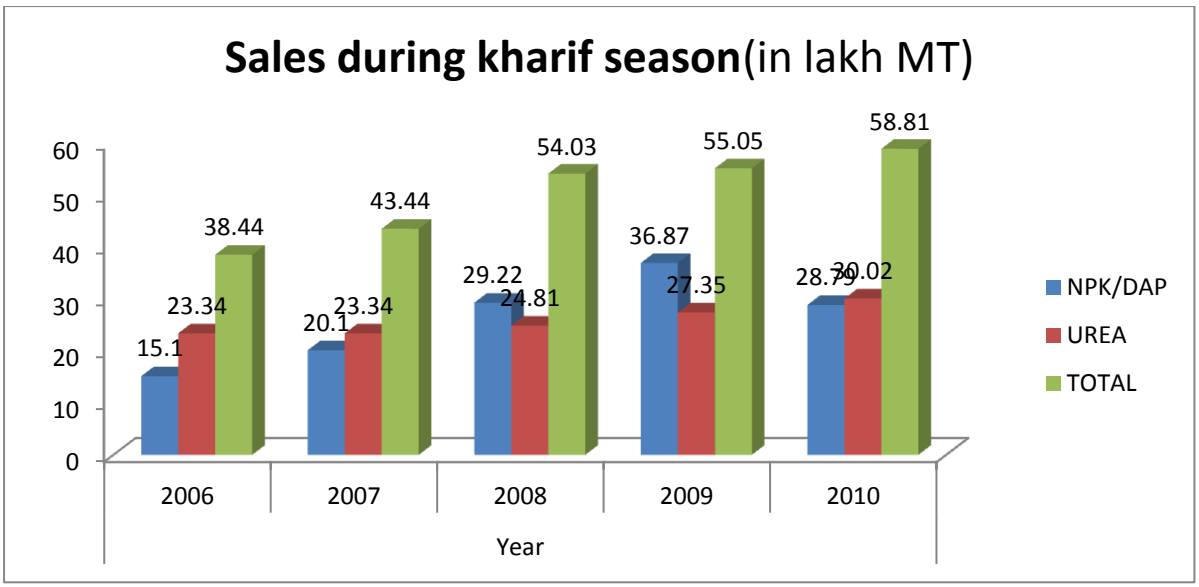


The above figure 6- suggests that sales performance of both urea and complex (NPK and DAP) is increasing as compared to the last two-three years. Sales performance of urea was about 52.41 lakh metric ton and complex (NPK AND DAP) 33.69lakh metric ton in the year 2006-07 and it has increased up to (urea-68.23lakh metric ton and complex-57.65lakh metric ton in the year 2010-11.

Comparing 2006-07 as a base year the increase in sales performance of urea is 30.18 percent and complex is 71.1percent respectively in the year 2010-11.

7) Sales of fertilizers during kharif season

Fig 7

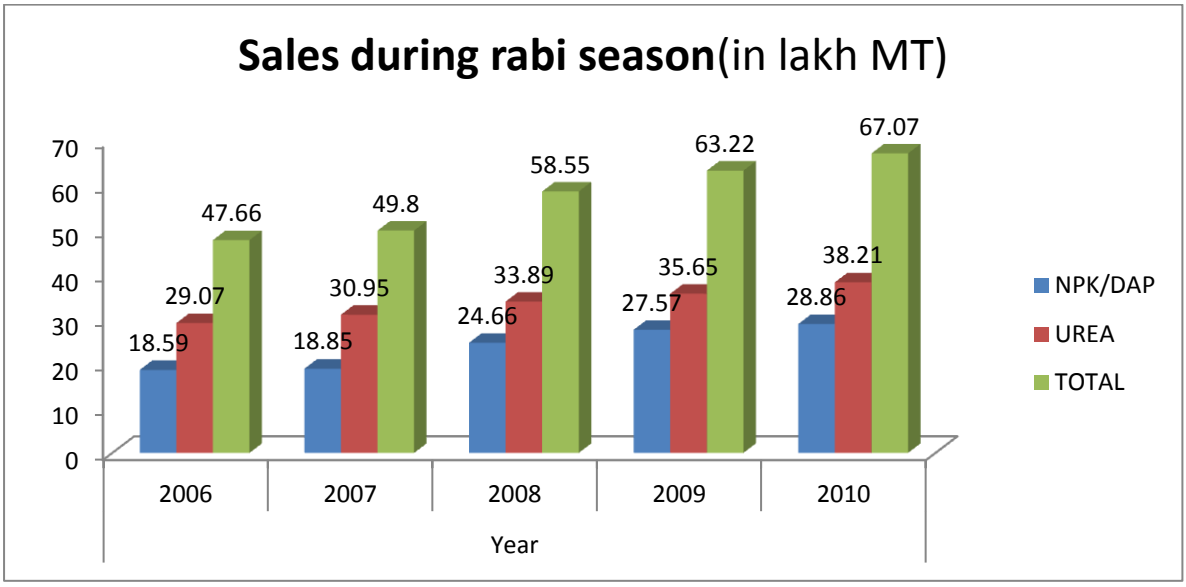


The above figure 7- depicts those sales during kharif season increases as requirement of fertilizers (UREA and COMPLEX) by the farmers is much higher at that time. In the year 2006 total sales during kharif season was 38.44 lakh metric ton and it has increased up to 58.81lakh metric ton in the year 2010.

Considering 2006 as a base year the increase in sales during kharif season has been raised to 52.99 percent in the year 2010.

8) Sales of fertilizers during Rabi season

Fig 8

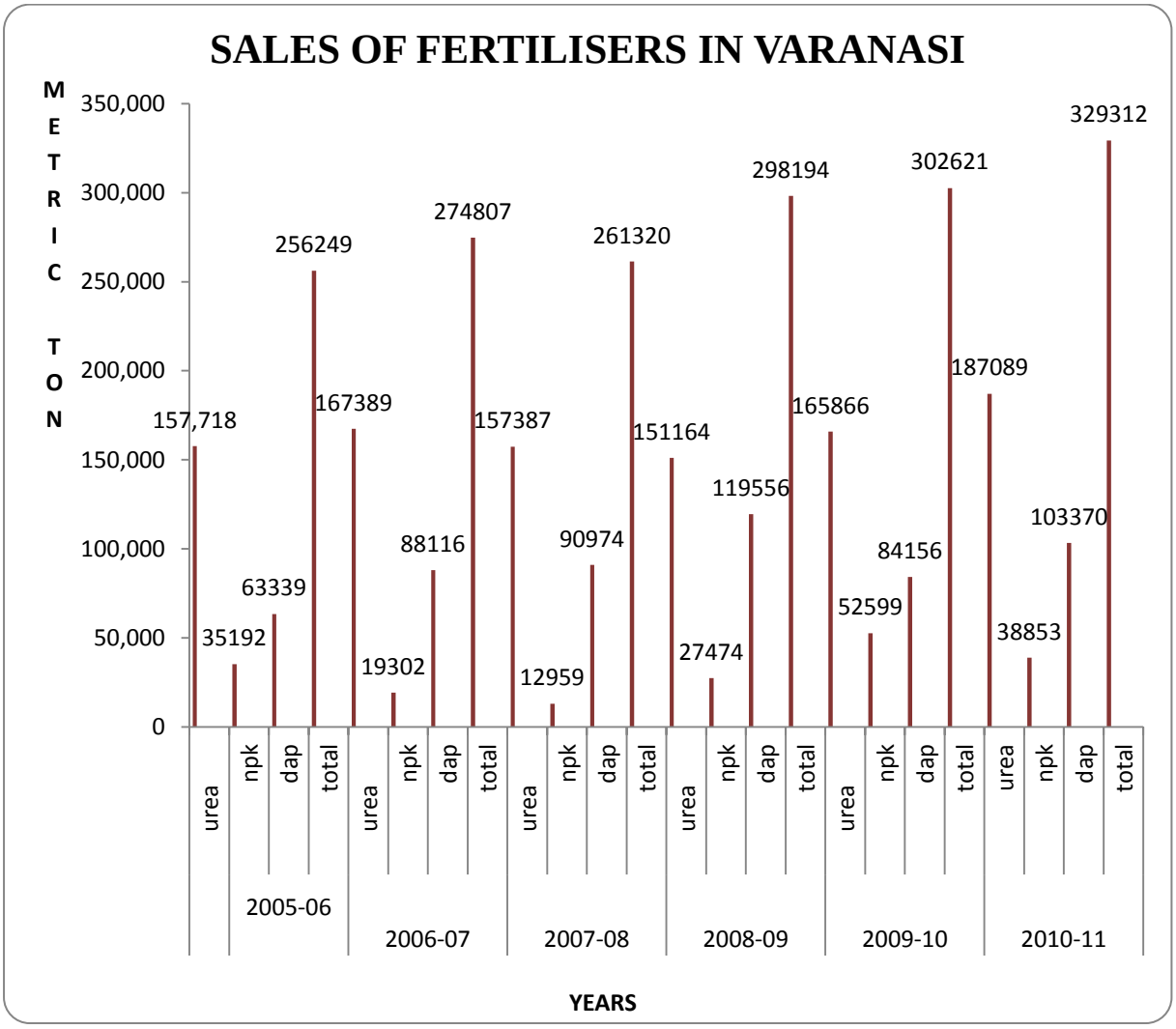


The above figure 8- illustrate that sales of fertilizers during Rabi season is also higher. Sales of urea and NPK/DAP in the year 2006 was about 29.07lakh metric ton and18.59 lakh metric ton respectively where as in the year 2010 sales of urea was about 38.21lakh metric ton and NPK/DAP was about 28.86 lakh metric ton.

Comparing 2006 as a base year the increase in sales during Rabi season is 40.7 percent in the year 2010.

9) TOTAL SALES OF FERTILIZERS IN VARANASI REGION FROM 2005-2011

Fig 9



The above figure 9-represent that demand of fertilizers is increasing year by year as farmers are taking proper use of fertilizer in required amount and crop productivity is also increasing. Sales of total fertilizers in the year2005-06 was 2,56,249 metric ton and it has been raised up to 3,29,312 in the year 2010-11 Field officer in the Varanasi region also encourages the farmers to attend the crop seminars and other activities so that they will able to use balanced fertilizer in their land.

Considering 2005-06 as a base year the increase in total sales of fertilizers in Varanasi region rose to 28.5 percent in the year 2010-11.

PROBLEMS FACED BY THE FARMERS IN THOSE AREAS:

1) *At farmer service center staff member are very few, and sometimes they used to say (baad me aana abhi koi hai nahin-ramlal).*
2) *Unavailability of the fertilizers in FSCs in the beginning of the mansoon.(bahut lambi line lagti hai aur jab number aata hai tab tak khaad khatam ho jaati hai-munna patel)*
3) *Farmers coming from other areas also has to suffer a lot (hum dukan bhi karte hai aur jab yaha khaad nahi milta tab hamar nuksan hota h-pappu prasad).*
4) *Field officer never goes back to the adopted village where they have conducted all the training and activities in the past.*

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1.Despite of various government regulations, other limitations, most of the marketing officials are satisfied with the present distribution channel as it makes the process of distribution easy.

2.It was found that there is a strong distribution channel of IFFCO in the Uttar Pradesh. It has emerged that present distribution channels increase the sale of product and it does not affect the quality of the product.

3.In the beginning IFFCO was supplying fertilizer to state level APEX cooperative marketing federation only

.4.During the survey on dealers, it was found that majority of them have taken up dealership of product because of its quality and brand image.

5.APEX federation acted as wholesaler in the cooperative sector and theycatered to the requirement of the lower society's i.e.PACS etc Over the passage of time some federation walked out of fertilizer business due to financial management and other organizations problem.

6.In some states where cooperatives are not in position to absorb the quantity offered by IFFCO, others channel viz. state agro Development Corporation as well as other institutional agency are also utilize.

7.20% farmers say that maize are grown in selected area of Allahabad district and near about 80% farmers are using IFFCO Urea.

8. Major farmers (50%) using only IFFCO Urea and 60% farmers are satisfied with IFFCO fertilizer specially IFFCO Urea.

9. IFFCO provides many sales promotional schemes and farmers are generally satisfied by this schem

10. Road and Rail are the main mode of transportation of company's product. It was found that company's transportation facility are best because 90% are by train and 10% by road so his transportation cost is very cheap, fast and safe.

11. One thing is very much attracting Farmers towards purchase of IFFCO Urea is "KHAD TO KHAD BEEMA BHI SAATH". This is an insurance offered by IFFCO for farmer.

CONLUSIONS:

Farmers are satisfied by the IFFCO fertilizers but they face lots of problem when the demand of UREA, NPK and DAP is more in the beginning of Rabi and Kharif season. IFFCO promotional activities are also playing an important role in motivating farmers to use fertilizer in balanced manner. In this study an attempt has been made to find out the distribution channels of fertilizers from plants to farmers and to know the level of satisfaction by the use of fertilizers.

This report discusses the existing distribution channels of IFFCO and the role of the farmer service center in the distribution of the product and also to find out the distribution policies as well as the performance of the distribution channel on the sale of the product of the company. For this purpose all the data has been collected by interaction with the officials of the marketing department of IFFCO and visited the adopted as well as non adopted villages of the IFFCO to know about the satisfaction level of the performance and the problems faced by them.

Chapter 5

RECOMMENDATION

RECOMMENDATION:

1.Selecting weak Cooperative Societies and provide their Financial, Management land Technical support like MIS facilities in Marketing Division as well as all delivery centers.

2. Launch the program like constructing storage community center in the area of direct need. The company should organize availability promoting the fertilizer and also serve the technical need.

3. IFFCO should also help in forming new cooperative societies so as to increases ales of IFFCO fertilizer.

4. IFFCO should also adopt direct supply system to provide fertilizer to farmer.

5. In Direct Supply system IFFCO should give the facilities of credit for selling the fertilizer.

6. Price of urea should be reasonable, and easy mode of payment should design.

7. To promote research and training on the application of present management system, technology and global experience for cooperative development.

8. To Promote, assist and encourage development of cooperatives with special power on suitable agricultural and social economic and cultural development of the members through cooperative bodies, voluntary institutions and other entities

LIMITATIONS:

While undertaking the project work in IFFCO there are some limitations

Experienced in compiling information for the purpose, which are briefly stated as below:

1. Due to time constraints the sample size was to be kept limited.

2. Area limitations i.e. only some parts of the Rural and urban market were taken into consideration.

3. Due to scarcity of transportation facility at villages it was very difficult to visit all the farmers individually.

4. It is very difficult to gather 100% information through respondent because they are not confident about the purpose of the survey and Questionnaire.

5.Non responding error might have occurred because some of there spondents contacted provided an incomplete or no response to some questions mentioned in the questionnaire. Respondents did not respond to those questions because they were unwilling to disclose the related data of information

REFERENCES:

- IFFCO ANNUAL REPORT
- GROUP DISCUSSION
- CROP SEMINARS
- FARMERS TRAINING
- FARMERS SERVICE CENTER AND COOPERATIVE SOCIETIES

Annexure

Annexure A. Time Schedule

S#	Name of the Department	Date(s) of visit	% of time spent	People met (with designation)
1	IFFCO Delhi	09/04/12		NK Kaushik(HR)
2	IFFCO Varanasi	11/04012		RK Singh (area manager)
3	IFFCO Varanasi	12/04/12 to 20/04/12		AK Pandey (field officer)
4	IFFCO phulpur	21/04/12 to 15/05/12		Dr.Bacchan singh(principal)
5	IFFCO	16/05/12 to 25/05/12		Farmers and promotional activities

Annexure B: Tables

1)Product Wise Production Performance

(in Lakh MT.)

Product	Year				
	2006-07	2007-08	2008-09	2009-10	2010-11
COMPLEX	32.26	28.84	31	38.74	41.81
UREA	37.86	39.63	40.68	43.24	44.02
TOTAL	70.12	68.47	71.68	81.98	85.83

2) Nutrient wise production performance

(in Lakh MT.)

Nutrient	Year				
	2006-07	2007-08	2008-09	2009-10	2010-11
P2O5	11.29	9.94	9.18	11.94	12.58
N	22.17	22.36	23.29	25.85	26.14

3)Sales of fertilisers by FSC's

Particular	Year		
	2008-09	2009-10	2010-11
Sales	4.47	5.49	6.4

4)Selling distribution of fertilizers

Selling through	Percentage
Societies	60
Federations	35
FSC's	5

5)Total Sales of Fertiliser

(in Lakh MT.)

Particular	Year				
	2006-07	2007-08	2008-09	2009-10	2010-11
Sales	86.1	93.24	112.58	118.27	125.88

6)Sales During Kharif Season

(in Lakh MT.)

Product	Year				
	2006	2007	2008	2009	2010
NPK/DAP	15.1	20.1	29.22	36.87	28.79
UREA	23.34	23.34	24.81	27.35	30.02
TOTAL	38.44	43.44	54.03	55.05	58.81

6)Sales During Rabi Season

(in Lakh MT.)

	Year				
	2006	2007	2008	2009	2010
NPK/DAP	18.59	18.85	24.66	27.57	28.86
UREA	29.07	30.95	33.89	35.65	38.21
TOTAL	47.66	49.8	58.55	63.22	67.07

7)Sales performance

(in Lakh MT.)

Product	Year				
	2006-07	2007-08	2008-09	2009-10	2010-11
COMPLEX	33.69	38.95	53.89	54.92	57.65
UREA	52.41	54.29	58.69	63.35	68.23

Table 1:

PROGRAMME	**2006-07**	**2007-08**	**2008-09**	**2009-10**	**2010-11**
TWO PLOT DEMONSTRATION	763	1006	806	881	843
FARMERS' MEETINGS	3208	3433	3450	3586	3341
FIELD DAYS	714	779	807	825	800
CROP SEMINARS	151	169	124	153	155
CRITICAL INPUT PACKAGES	6011	6519	6842	8125	10929
SOIL TESTING CAMPAIGNS	652	530	542	497	484
FARMERS TRAINING AND VISITS (PP)	4269	5167	5912	3711	5131
VILLAGES ADOPTED	402	431	438	434	411

Performance Highlights for the Year 2010-11

	85.83 Lakh MT
Highest Production of fertilizer	(Previous Best 81.98 Lakh MT in 2009-10)
	44.02 Lakh MT
Highest Production of Urea	(Previous Best 43.24 Lakh MT in 2009-10)
	41.81 Lakh MT
Production of NPK/DAP/NP	(Previous Best 38.74 Lakh MT in 2009-10)
	125.88 Lakh MT
Highest Sale of Fertilisers	(Previous Best118.27 Lakh MT in 2009-10)
	68.23 Lakh MT
Highest Sale of Urea	(Previous Best 63.35 Lakh MT in 2009-10)
	57.65 Lakh MT
Highest Sale of NPK/DAP/NP	(Previous Best 54.92 Lakh MT in 2009-10)
	Rs. 1025.78 Crore
Profit before Tax	(Best PBT Rs. 807.09 Crore in 2002-03)
	Rs. 791.49 Crore
Profit after Tax	(Best PAT Rs. 557.2 Crore in 2002-03)
	Rs. 21,195.16 Crore
Total Turnover	(Previous Best Rs. 32,933 Crore in 2008-09)
	1,710 MT per employee
Plant Productivity	(Previous Best 1,669 MT in 2005-06)
	8,622 MT per employee
Highest Marketing Productivity	(Previous Best 7,885 MT in 2009-10)