

Scenario Of Agriculture Marketing In India

Dr. Sou. Shobha Arun Paudmal, Dept. of Commerce and Management, D. K. College of Arts and Commerce, Ichalkaranji Email Id: paudmal.shobha@gmail.com Contact no: 9767333499

Abstract :Agricultural marketing covers the services involved in moving an agricultural product from the farm to the consumer. Numerous interconnected activities are involved in doing this, such as planning production, growing and harvesting, grading, packing, transport, storage, agro- and food processing, distribution, advertising and sale. Some definitions would even include “the acts of buying supplies, renting equipment, (and) paying labor”, arguing that marketing is everything a business does. Such activities cannot take place without the exchange of information and are often heavily dependent on the availability of suitable finance. Marketing systems are dynamic; they are competitive and involve continuous change and improvement. Businesses that have lower costs, are more efficient, and can deliver quality products, are those that prosper. Those that have high costs, fail to adapt to changes in market demand and provide poorer quality are often forced out of business. Marketing has to be customer-oriented and has to provide the farmer, transporter, trader, processor, etc. with a profit. This requires those involved in marketing chains to understand buyer requirements, both in terms of product and business conditions.

Key Words: Interconnected, Availability, Competitive, Prosper, Customer-Oriented etc.

1. INRODUCTION: Agricultural Marketing continues to be the mainstay of life for majority of the Indian population. It contributes around 25% of the GDP and employs 65% of the workforce in the country. The Government of India under the ministry of agriculture has also set up specific commodity Boards and export promotion council for monitoring and boosting the production, consumption, marketing and export of various agricultural commodities. Some of these organizations /boards are Cotton Corporation of India (CCI), Jute Corporation of India (JCI), Tea Board, Coffee Board, Spice Board, National Horticulture Board (NHB), National Agricultural Marketing Federation (NAFED), Agricultural Products Export Development Authority (APEDA), etc. Most agricultural commodity markets generally operates under the normal forces of demand and supply. However, with a view to protect farmer’s interest and to encourage increased production, the government also fixes minimum support price (MSP) for some crops like Paddy, Wheat, Jute etc. as public policy instruments. The government also promotes organized marketing of agricultural commodities in the country through a network of regulated markets. There are 7161 Wholesale Regulated Markets in the country as on 31.3.2001. Besides, there are also 7293 Wholesale Markets and 27,294 Rural Periodic.

2. OBJECTIVES OF THE STUDY

1. To study the concept of Agriculture Marketing.
2. To study the Agriculture Marketing in India.
3. To study the defects of Agriculture Marketing in India.
4. To study the remedial measures for improvement of Agriculture Marketing in India.

3. METHODOLOGY OF THE STUDY: The present study has been descriptive; the data for this study were obtained from secondary sources. The secondary data has been collected from various references which already existed in published form; part of the paper is based on literature review the method comprising of collecting all the available papers relating to the theme and selecting relevant papers/books for the review purpose. Selection of the paper is done on the basis of their relevance and contribution to the body of knowledge. The author has made an attempt to do primary reading of the selected papers which will constitute the core of this review study

4. CONCEPT OF AGRICULTURAL MARKETING: Agricultural marketing system is an efficient way by which the farmers can dispose their surplus produce at a fair and reasonable price. Improvement in the condition of farmers and their agriculture depends to a large extent on the elaborate arrangements of agricultural marketing. The term agricultural marketing include all those activities which are mostly related to the procurement, grading, storing, transporting and selling of the agricultural produce. Thus Prof. Faruque has rightly observed: “Agricultural marketing comprises all operations involved in the movement of farm produce from the producer to the ultimate consumer. Thus, agricultural marketing includes the operations like collecting, grading, processing, preserving, transportation and financing.”

5. AGRICULTURAL MARKETING IN INDIA: There are several challenges involved in marketing of agricultural produce. There is limited access to the market information, literacy level among the

farmers is low, multiple channels of distribution that eats away the pockets of both farmers and consumers. The government funding of farmers is still at nascent stage and most of the small farmers still depend on the local moneylenders who are leeches and charge high rate of interest. There are too many vultures that eat away the benefits that the farmers are supposed to get. Although we say that technology have improved but it has not gone to the rural levels as it is confined to urban areas alone. There are several loopholes in the present legislation and there is no organized and regulated marketing system for marketing the agricultural produce. The farmers have to face so many hardships and have to overcome several hurdles to get fair and just price for their sweat.

6. DIFFERENT SYSTEMS OF AGRICULTURE MARKETING IN INDIA

I. SALE IN VILLAGES: The first method open to the farmers in India is to sell away their surplus produce to the village moneylenders and traders at a very low price. The moneylender and traders may buy independently or work as an agent of a bigger merchant of the nearby mandi. In India more than 50 per cent of the agricultural produce are sold in these village markets in the absence of organized markets.

II. SALE IN MARKETS:The second method of disposing surplus of the Indian farmers is to sell their produce in the weekly village markets popularly known as 'hat' or in annual fairs.

III. SALE IN MANDIS:The third form of agricultural marketing in India is to sell the surplus produce through mandis located in various small and large towns. There are nearly 1700 mandis which are spread all over the country. As these mandis are located in a distant place, thus the farmers will have to carry their produce to the mandi and sell those produce to the wholesalers with the help of brokers or 'dalals'. These wholesalers or mahajans again sell those farm produce to the mills and factories and to the retailers who in turn sell these goods to the consumers directly in the retail markets.

IV. CO-OPERATIVE MARKETING:The fourth form of marketing is the co-operative marketing where marketing societies are formed by farmers to sell the output collectively to take the advantage of collective bargaining for obtaining a better price.

7. DEFECTS OF AGRICULTURAL MARKETING IN INDIA

I. LACK OF STORAGE FACILITY: There is no proper storage or warehousing facilities for farmers in the villages where they can store their agriculture produce. Every year 15 to 30 per cent of the agricultural produce are damaged either by rats or rains due to the absence of proper storage facilities. Thus, the farmers are forced to sell their surplus produce just after harvests at a very low and unremunerative price.

II. DISTRESS SALE: Most of the Indian farmers are very poor and thus have no capacity to wait for better price of his produce in the absence of proper credit facilities. Farmers often have to go for even distress sale of their output to the village moneylenders-cum-traders at a very poor price.

III. LACK OF TRANSPORTATION: In the absence of proper road transportation facilities in the rural areas, Indian farmers cannot reach nearby mandis to sell their produce at a fair price. Thus, they prefer to sell their produce at the village markets itself.

IV. UNFAVOURABLE MANDIS: The condition of the mandis are also not at all favourable to the farmers. In the mandis, the farmers have to wait for disposing their produce for which there is no storage facilities. Thus, the farmers will have to take help of the middleman or dalal who take away a major share of the profit, and finalizes the deal either in his favour or in favour of arhatiya or wholesalers.

V. INTERMEDIARIES: A large number of intermediaries exist between the cultivator and the consumer. All these middlemen and dalals claim a good amount of margin and thus reduce the returns of the cultivators.

VI. UNREGULATED MARKETS:There are huge numbers of unregulated markets which adopt various malpractices. Prevalence of false weights and measures and lack of grading and standardization of products in village markets in India are always going against the interest of ignorant, small and poor farmers.

VII. LACK OF MARKET INTELLIGENCE:There is absence of market intelligence or information system in India. Indian farmers are not aware of the ruling prices of their produce prevailing in big markets. Thus, they have to accept any unremunerative price for their produce as offered by traders or middlemen.

VIII. LACK OF ORGANISATION:There is lack of collective organization on the part of Indian

farmers. A very small amount of marketable surplus is being brought to the markets by a huge number of small farmers leading to a high transportation cost. Accordingly, the Royal Commission on Agriculture has rightly observed, “So long as the farmer does not learn the system of marketing himself or in cooperation with others, he can never bargain better with the buyers of his produce who are very shrewd and well informed.”

IX. LACK OF GRADING: Indian farmers do not give importance to grading of their produce. They hesitate to separate the qualitatively good crops from bad crops. Therefore, they fail to fetch a good price of their quality product.

X. LACK OF INSTITUTIONAL FINANCE: In the absence of adequate institutional finance, Indian farmers have to come under the clutches of traders and moneylenders for taking loan. After harvest they have to sell their produce to those moneylenders at unfavourable terms.

XI. UNFAVOURABLE CONDITIONS: Farmers are marketing their product under adverse circumstances. A huge number of small and marginal farmers are forced by the rich farmers, traders and moneylenders to fall into their trap to go for distress sale of their produce by involving them into a vicious circle of indebtedness. All these worsen the income distribution pattern of the village economy of the country.

8. REMEDIAL MEASURES FOR IMPROVEMENT OF AGRICULTURAL MARKETING:

- ❖ Establishment of regulated markets.
- ❖ Establishment of co-operative marketing societies.
- ❖ Extension and construction of additional storage and warehousing facilities for agricultural produce of the farmers.
- ❖ Expansion of market yards and other allied facilities for the new and existing markets.
- ❖ Provision is made for extending adequate amount of credit facilities to the farmers.
- ❖ Timely supply of marketing information to the farmers.
- ❖ Improvement and extension of road and transportation facilities for connecting the villages with mandis.
- ❖ Provision for standardization and grading of the produce for ensuring good quality to the consumers and better prices for the farmers.
- ❖ Formulating suitable agricultural price policy by the Government for making a provision for remunerative prices of agricultural produce of the country

9. CONCLUSION: The agricultural extension system in India is production-focused, relegating the marketing issues to the backburner. As market-driven production is the need of the hour, the extension system has got to be made market-led. In order to make the extension system fully market-led, at the outset, focus has to be laid on agricultural marketing extension system and its contents.

10. REFERENCES

1. Dhankar, G. H., 2003, Development of Internet Based Agricultural Marketing System in India, *Agricultural Marketing*, 45(4):7-16.
-Hall, Inc., New Jersey. p.139.
2. Nickels. William G., 1978, *Marketing Principles –A Broadened concept of Marketing Prentice*
3. Tripathi, A. and Prasad, A. R. (2009) “Agricultural Development in India Since in Determinants: A Study on Progress, Progress, Performance and Determinants”, *Journal of Emerging Knowledge on Emerging Markets*, Vol. 1(1), pp.63-92.
4. <http://www.gktoday.in/framework-around-agricultural-marketing-in-india/>