

Prospects of Farm Marketing Strategies in India

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Abstract

Agriculture marketing has been defined by the National Commission on Farmers as “a process which starts with a decision to produce a saleable farm commodity and it involves all aspects of market structure of system, both functional and institutional, based on technical and economic considerations and includes pre and post-harvest operations viz. assembling, grading, storage, transportation and distribution”. Agriculture marketing differs from conventional meaning of marketing which implies meeting the consumer’s demands or expectations. Since the major output of agriculture marketing is food and food being basic necessity of life and a human right, ensuring the supply of food becomes an important part of mandate of the governments across the world. The agriculture marketing in India is served through a network of 22,505 Rural Primary Markets (RPM’s) and 7,190 wholesale and terminal markets set up under various states marketing legislation in the country. However Indian agriculture marketing is facing so many challenges which need proper attention of the authority. Through this paper an attempt is made to highlight the major challenges of Agriculture Marketing in India.

Introduction:

Agriculture profession is regarded as back-bone of the Indian Economy. Near about seventy percent of mass depend on it. It has a significant role in our country as it provides subsistence to about 70% of the work force of economy. Even in the modern era, agriculture has gained economic as well as social importance in our country. It is the only sector which has preserved the rich and innovative practice of cultivation Indian cultural. The agriculture sector in India has undergone significant structural changes during the post independence and liberalized era in the form of decrease in its share in the GDP from 30% in 1990-91 to about 14% in 2012-13. Marketing of agricultural product is an important economic activity as it needs to balance the affordability and availability of food for consumers with sustained improved incomes to farmers. Agriculture marketing in India. Is a complex system with a mix of organized unorganized sectors. There are thousands of rural periodic markets, such as “haats” and more than 7,000 regulated APMC’s besides many private sectors that engage with farmers directly or indirectly.

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Objectives:

The researcher is intended to study the following specific objectives:

- To know the present status of agriculture marketing in India.
- To study the systems & channels of agriculture marketing in India
- To trace the volume of agriculture produce exchanged in the regulated markets.
- To highlight agencies work in agriculture marketing
- To bring out the major challenges faced in the marketing of agriculture produce in India.
- To know the present status of agriculture marketing in India.

Methodology: The study is based in the secondary data. Information is collected through the various books, periodicals, journals, research articles and websites. Data collected is presented in the form of tables, graphs, etc. to derive the inferences.

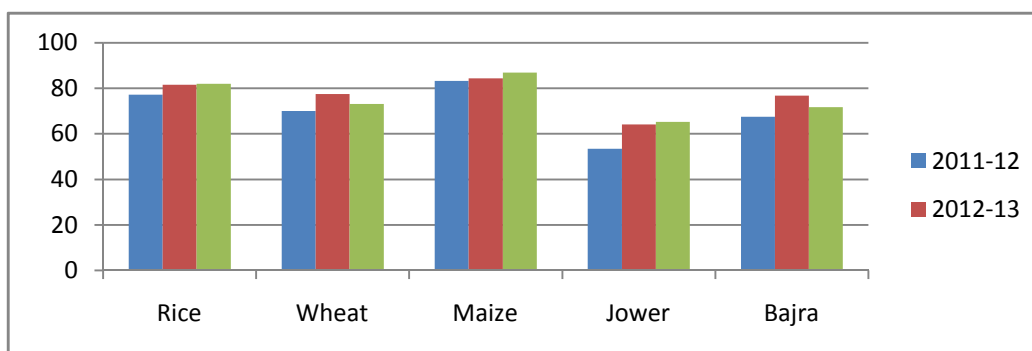
State of Agricultural Marketing in India:

The basic driver of agricultural marketing in India is marketable surplus. As the marketable surplus of a farmer increases, it needs to have an efficient market and marketing system in the welfare state. Recently the marketable surplus of agriculture in India has shown increasing trend. From subsistence enterprise in the Pre-Green Revolution period to market oriented commercial production during the Post-Green Revolution period. Indian agriculture production has created a gap leading to self-sufficiency and export capacity in most of crops. The marketed surplus of some important crops is shown in the following table.

Table No. 1.

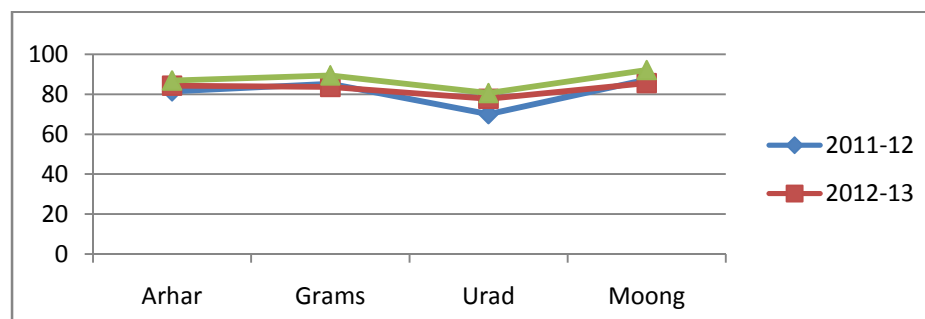
Sl. No.	Items	All India Average of Marked Surplus Ratio for Cereals (in %)		
		2011-12	2012-13	2013
1.	Rice	77.20	81.51	82.00
2.	Wheat	70.00	77.49	73.11
3.	Maize	83.32	84.32	86.98
4.	Jower	53.46	64.14	65.25
5.	Bajra	67.48	76.77	71.71

Source: Agricultural Statistics at a Glance

**Table No. 2.**

Sl. No.	Items	All India Average of Marked Surplus Ratio for Pulses (in %)		
		2011-12	2012-13	2013
1.	Arhar	81.45	84.33	86.99
2.	Grams	85.25	83.67	89.58
3.	Urad	70.04	77.76	80.71
4.	Moong	87.32	85.55	92.22

Source: Agricultural Statistics at a Glance 2013



A huge market surplus calls for efficient marketing system to enable fast and effective movement of goods from producers to consumers. Farmers and consumer segments not only need market places but also facilities for storage, transport, credit, market information, etc.

Agencies of Agricultural Marketing: following agencies carryout marketing of various stages:

- Village Merchants
- Wholesale in assembling market
- Commission Agents / Dalal
- Pre-harvest contractors
- Wholesaler consuming market
- Processor
- Retailer

Types of Agriculture Marketing: There are four types of market in India Wholesale Market:

- i) In producing area
- ii) In consuming area
- Retail Market in Consuming Area
- Daily Mandi's & Weekly Market in Rural Area
- Annual & Occasional Fairs

Channels of Marketing: There are three types of channels

- (i) **Government:** Producer → Government Department → Consumers
- (ii) **Co-operative Channels:** Producer → Co-operatives → Consumers
- (iii) **Private Channel:** Producer → Wholesaler → Commission Agent → Retailer → Consumer

State wise Agriculture Markets in India:

As on 31st March 2012 total number of markets state wise is shown in the following table No. 3:

Sl. No.	State / UT's	No. of Markets			Regulated		
		Wholesale	Rural / Primary	Total	Principal	Sub Market Yards	Total
1.	Andrapradesh	331	574	905	311	574	905
2.	Bihar	325	1469	1794	--	--	--
3.	Gujarat	205	129	334	199	201	400
4.	Haryana	284	194	478	106	178	284
5.	Karnataka	507	730	1237	153	354	507
6.	Kerala	348	1014	1362	--	--	--
7.	M. P.	246	1321	1567	246	275	521
8.	Maharashtra	881	3500	4381	300	581	881
9.	Punjab	425	1346	1771	149	276	425
10.	U. P.	584	3464	4048	249	364	613
11.	Other States / UT's	2353	8784	11117	723	1930	2654
	Total	6489	22505	28994	2456	4734	7190

Challenges in Agricultural Marketing:

The major challenges facing by the Indian Agricultural Marketing are:

1. Lack of market infrastructure
2. Licensing Barriers
3. High incidence of market charges
4. High wastage in supply chain
5. Lack of National Integrated Markets
6. Large number of marketing channels with long supply chain
7. Less farmer's price realization
8. Limited access of agriculture produce

5. Long-Gestation period of infrastructure

markets

10. Large number of middle men

Suggestions:

The largest sector being agriculture in India, to improve it a well-developed marketing system is need of the hour – For this purpose following steps can be adopted

1. Good marketing infrastructure
2. Less marketing charges
3. Licensing system to be liberalized
4. Good transport facilities to be provided especially in rural areas
5. Credit facilities to farmers.

Conclusion:

Agriculture is the primary sector of Indian Economy. Since agriculture production is increasing significantly during the Post-Green Revolution period, the well-conceived marketing system should be provided to the farming community. The aim of the present government is to doubling of farmer's income. Therefore, by providing more number of regulated markets and by fixing fair prices to the agriculture products, the government can realize this objective. The large number of marketing networks to be extended in the rural areas under statute to curb unfair practices by the local dealers.

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