

Agricultural marketing in India

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Abstract

Marketing may be described as the process of defining, knowing the consumer needs and organizing all the available resource to fulfill the customers' need. Agricultural marketing is a process of moving an agricultural product from the farm to consumer. Various activities are involved in doing this, such as planning about production, growing and harvesting, grading, packing, transport, storage, agro-food processing, distribution and sale. Agricultural marketing without the exchange of information cannot take place. It also depends on availability of suitable finance. The aim of this research paper is to highlight the problems faced by agricultural marketing in India. The paper also describes the importance & new trends in Agricultural marketing.

Keywords: Agricultural Marketing, trend, customers, farmer, contract farming

1. Introduction

Agricultural marketing is mainstay of life for majority of the Indian population. Agricultural marketing employs 65% of the workforce in the country. Its contribution in GDP is around 25%. GOI has set up specific commodity boards and export promotion council for boosting & monitoring the production, consumption, marketing and export of agricultural products. Most agricultural commodity markets operate under the market forces. However, with a view to protect farmer's interest govt. also fixes minimum support price for wheat, rice, Jule etc.

Objectives

To study about the agricultural marketing.
 To know the problems which are faced by agricultural marketing in India.
 To study the new trends of agricultural marketing.
 To study government initiative to support agricultural marketing.

Importance of Agricultural marketing

Agricultural marketing is economic process under which agricultural products are exchanged. Agricultural marketing is the base of most of economic activities in country. The importance of agricultural marketing is as follows;
 It provides raw materials for industries.
 It helps farmer to sell their product at low cost and reasonable Price.
 It increases the surplus of agricultural product.
 Due to market surplus, its helps in the expansion of international market.
 It provides food grains for the population.
 It gives incentive to producer to produce more agricultural products.

Problem in Agricultural marketing.

High food Price:- In India prices of food and agricultural commodities are determined by demand and supply factor influenced by price police. In India, Food's demand is higher

than supply of food, as a result, prices are increasing. Inflation and price rise of food especially for fruits, egg, pulse, tea.

Low per Capita Availability of Food:- The population of India is increasing day by day. Increasing population in the face of relatively less supply of agricultural product has brought down the per capita net availability of food grain.

Different Retail Price For same type of Agricultural commodity in Different Retail centers:-

In different markets, retail prices in different consumption centre are found divergent. It is because of regional difference in consumption patterns and supply condition.

Lack of Price Information to Farmers:-

The small and poor farmers do not have perfect knowledge about the price which affects their prospects of gaining reasonable profit on their production.

Storage problem:- According to world Bank around 40% food produced in India goes waste because of lack of decentralized storage structures

Government Policy Support:-

(1) **Agricultural price Policy and Minimum support price:-** Minimum support prices have been a cornerstone of the agricultural policy since 1965. The main objective of MSP is to ensure remunerative prices to the producer for their product. Implementation of MSP is undertaken by central and state level agencies. (CACA) commission for Agricultural costs and prices formulates the recommendation on price policy.

(2) **Agriculture Marketing Support: -**

(i) **National Institute of Agricultural marketing (NIAM)** set up by the GOI in August 1988. It offers training, Research, Education and consultancy in the field of agricultural marketing.

(ii) **Agriculture Products Storage Structures:-** By the Implementing the Rural Godown scheme, GOIs fulfilled the need of rural storage structures.

The aim of this scheme is to create of scientific storage capacity in rural areas by encouraging private and cooperative sector to invest in creation of storage Infrastructure.

(iii) Agricultural Market Advisory service: - The aim of agricultural market advisory service is to provide for the sustainable enhancement of the capabilities of the rural poor to enable them to adopt to factors which affect upon marketing.

(iv) Grading And Standardization of Agricultural And Allied produce :- Quality standards for agricultural products are based on their intrinsic quality. Certification of agricultural products is good or beneficial for the producer/manufacture and consumer.

(v) Marketing Training: - Marketing is considered a major problem because of lack of transport, high post – harvest losses. Learning new skills, new techniques and new ways of obtaining information are required for successful marketing.

12th Plan Approach to agriculture marketing and reform

12th Plan approach paper finds that the major problem faced by farmer's producer is that they do not get remunerative prices.

In order to provide incentive to farmers the 12th plan focus on-

- Leveraging the private investment and policies that are required to make markets efficient and competitive.
- Reforming the Agricultural produce marketing committee (APMC) Acts should be prioritized as emphasized in 12th Plan.
- Improvement in the Infrastructure of backward and forward Linkages for marketing & Agriculture products.
- The 12th plan gives importance to fast track modernization of Mandi Infrastructure.
- The implementation of model Act 2003 in letter and spirit. This Act allows direct selling and buying and private market yards. It also promote and regulates the contract farming to boost private sector investment in new regularized market and warehouse receipt system.

New Trends of Agriculture marketing:-

On the part of large industrial, retail buyers the growing competitive pressure, high demanding customers, New innovations, new technologies are facing by the wholesalers now a day. Because of globalization and liberalization, concept like contract forming, Super markets, etc are influencing the way of marketing.

Conclusion

Agricultural marketing surplus is the most important part of livelihood security of a farmer. In India agricultural marketing is not efficient. There is lack of operational efficiency, Pricing efficiency and distributive justice efficiency. Improvement in the efficiency of agricultural marketing system in India requires establishment of regulated markets, encouragement to co-operative marketing, provision of satisfactory means of transportation. We can see the new trends of agricultural marketing. The concept like super market consumer driven agriculture, contract farming are significantly influencing the way of marketing takes place

References

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