



AGRICULTURAL MARKETING-WITH SPECIAL REFERENCE TO INDIAN ECONOMY

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ABSTRACT

India is basically an agricultural country where majority of human beings are still dependent on agriculture to earn their livelihood. In olden days the marketing of agricultural products such as wheat, barley, sugarcane etc. was effected on the basis of barter system wherein the farmers used to sell their agricultural products in exchange of another products. With the passage of time the barter system vanished and nowadays each and every goods or services including agricultural goods are being sold in exchange of money. This paper is an attempt to explore the current scenario of agricultural marketing in India along with the challenges faced by agricultural marketing in India.

KEYWORDS: Agricultural marketing, Indian climate, temperature.

INTRODUCTION

Agricultural marketing can be defined as series of activities concerned with transferring agricultural products from farm to the consumers. Major activities performed to transfer the agricultural products from farm to consumers includes growing, harvesting, grading packaging, transportation, advertisement and sale of agricultural products.^[1]

According to Thomsen, the study of agricultural marketing comprises all the operations, and the agencies conducting them, involved in the movement of farm-produced foods, raw materials and their derivatives.

According to National Commission on Agriculture, agricultural marketing is a process which starts with a decision to produce a saleable farm commodity, and it involves all the aspects of market structure or system, both functional and institutional, based on technical and economic considerations, and includes pre-and post-harvest operations, assembling, grading, storage, transportation and distribution.

OBJECTIVES OF THE STUDY

- ☞ To have an overview of agricultural marketing in Indian scenario.
- ☞ To outline India's agricultural activities in global perspective.
- ☞ To outline the reforms taken by Government of India in the field of agricultural marketing.
- ☞ To study the various challenges behind success of agricultural marketing in India.

AGRICULTURAL MARKETING IN INDIA

India is a country where 70% of population is still directly or indirectly reliant on agriculture. Diversity in Indian climate, temperature and soil favours production of gigantic variety of crops, which is the main reason behind adoption of agricultural activity as a source to earn livelihood. Kharif, rabi and zaid are three different cropping seasons in India and in each season certain specific crops are grown such as, rice is grown in kharif season where as wheat is grown in rabi season.^[2]



Certain obstacles in the way of Indian agricultural marketing can be pointed out as under:

- ✘ Production of crops is still heavily dependent on monsoon which is uncertain.
- ✘ Agricultural products produced by farmers are sold to final consumers through multiple channels of distribution. These middlemen purchases agricultural products from farmers at very low prices and sell it to final consumers at alarming prices.
- ✘ Illiteracy rate among Indian farmers is still very high with narrow access to market information. Moreover, a majority of farmers to satisfy their financial needs are still dependent on local money lenders who are charging a high rate of interest.

THE GLOBAL SCENARIO

Agricultural activities in India have been carried out since Indus Valley civilisation^[3] and today India enjoys second position in world as far as agricultural output is concerned. In 2013 the share of agricultural and allied activities in India's GDP was 13.7%^[4]. In 2013 India stood seventh largest exporter of agricultural product in the world with export figures of \$39 billion.^[5] However, the immense economic growth taking place during recent years in India have resulted a decline in economic contribution of agriculture to India's GDP. Still, agriculture is the major economic sector of India and plays a pivotal role in economic development of India. India's agricultural products are exported to more than 100 countries out of which the major exports are made to United States, Middle East, SAARC countries, European Union, and South East Asia.^[6]

REFORMS UNDERTAKEN IN RECENT YEARS

Important reforms undertaken by Indian Government in the area of agricultural marketing are as follows:

1. Grading: Grading means sorting of the unlike lots of the produce into different lots according to the quality specifications laid down.^[7] The Agricultural Produce (Grading and Marking) Act, 1937 authorizes Central Government to fix the quality standards, commonly known as 'AGMARK' standards which has been notified for 181 agricultural and allied commodities.^[8]

2. Establishment of Rural Godowns: In March 2002, Department of Agriculture and Cooperation introduced "Grameen Bhandara Yojna" scheme with the objective of encouraging construction of rural godowns for agricultural products.^[9]

3. Commodity Future and Commodity

Forward Markets: Commodity future trading in India has been permitted from April, 2003, in around 54 agricultural commodities through 24 recognised exchanges. The major commodities exchanges are NCDEX, Mumbai, NMCE, Ahmadabad and MCX, Mumbai whereas; the gram, soya bean oil, gur, rubber, rice, wheat are some of the major commodities traded in future exchanges.

4. Terminal Markets: Terminal markets which were found only in developed countries are now gaining popularity in India as in the year 2006-07, Indian Government has declared the establishment of eight terminal markets for perishable products in Kolkata, Raipur, Chandigarh, Nagpur, Bhopal, Nasik, Patna and Mumbai.^[10]

5. APMR Act: To achieve an efficient system of buying and selling of agricultural commodities, most of the state Governments and Union Territories enacted Agricultural Produce Marketing (Regulation) Act (APMR Act) to provide for regulation of agricultural produce markets.^[11]

MAJOR REFORMS REQUIRED IN AGRICULTURAL MARKETING

Technological advancements in recent years have benefited each and every sector around the globe and agriculture is no exception to this. Still, agricultural system in India is not in a very good condition due to which marketing of agricultural products is not an easy task. Major reforms required to be undertaken for success of agricultural marketing in India can be high lightened as under:

1. Augmentation of Irrigation Facilities:

In India, nearly two third of cropped area is still dependent on monsoon and only one third is getting proper irrigation facilities. Heavy dependency of farmers on monsoon for cultivation is a major impediment behind successful production of agricultural products. Increase in global warming and deforestation levels are decreasing the quantity and increasing the uncertainty of rainfall in India. Hence, arrangements must be made for proper irrigation facilities in each and every part of the country in order to increase agricultural production.

2. Technology Up-gradation:

Still today, there are many areas in India where agriculture is being carried out with the help of old machineries and equipments, which proves to be a hindrance in increasing agricultural production. Green revolution which took place in India around sixties and seventies does not prove to be completely beneficial for Indian farmers. In order to increase the quantity and quality of agricultural products,

proper allocation of latest agricultural machinery and equipments must be made to farmers.

3. Provision of Storage: Lack in proper storage facilities of agricultural products is also an obstacle behind successful marketing of agricultural products in India. Since, most of the agricultural products are perishable in nature; farmers are compelled to sell it immediately in the absence of proper storage facility. At the time of harvesting the prices of agricultural products are low due to their increased supply. At this time there is an urgent need for proper storage facilities such as godowns and warehouses, in the absence of which farmers are compelled to sell their agricultural products at miserably low prices.

4. Increase in Cleaning, Sorting, Grading and Packaging Facilities: Despite the facility of grading only around 7% of total quantity of agricultural products sold by farmers are graded prior to sale and due to poor cleaning, sorting, grading and packaging services around 10% of spices, 30% of fruits and vegetables and 7% of food grains are damaged and does not serve the purpose of sales. Hence there is an urgent need to increase the cleaning, sorting, grading and packaging facilities of agricultural products in India.^[12]

CONCLUSION

Despite the fact that India is one of the largest exporters of agricultural products in the world, many farmers are still deprived from getting a reasonable return for their sweat which they spend in producing agricultural products. The main reason behind this misfortune is lack of proper irrigation facilities, poor storage facilities, use of

outdated technologies in agricultural production, lack of appropriate cleaning, grading and packaging facilities etc. These drawbacks can be removed by expanding irrigation facilities throughout the country by the use of tube wells, establishing additional storage and warehousing facilities, increasing the farmer's education base, replacing the old technologies with new one and so on.

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