



PROBLEMS IN THE MARKETING OF AGRICULTURAL PRODUCTS IN INDIA - AN OVERVIEW

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Abstract

Agriculture is the backbone of an agriculture country, like India. The marketing of farm products is a complex process in agriculture. Agricultural marketing involves many activities and processes through which the nutriment and raw material move from the farm to the final consumers. The marketing system should be so designed as to give proper reward to the efforts of the agriculturist. But unfortunately, in India, the middlemen enjoy the benefits at the cost of disability, illiteracy of the poor Indian farmers. This paper focuses to know the problems faced by the farmers in the marketing of agriculture products and to offer valid suggestions to overcome the problems faced by the Indian farmers at the time of marketing their produced goods.

Keywords: Problems of Farmers, Agricultural Marketing, Middlemen and Farm Products.

Introduction

Agriculture plays a key role in the economic development of a nation. India's prosperity depends upon the agricultural development. Agriculture process is basically different from industry works. Marketing of Agricultural products is very complex process in India. In our country the farmers produced various types of agricultural commodities. It 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. The agricultural sector in India is the largest sector in the country's economy. Agriculture sector contributes nearly 30% to India's Gross Domestic Product (updated on January of 2017), and it contributes nearly 23% of the country's total export.

Agricultural Marketing in India

India is an agricultural country and one third population depends on the agricultural sector directly or indirectly. Indian agriculture contribution to the national gross domestic product (GDP) is about 25 per cent. With food being the crowning need of mankind, much emphasis has been on commercializing agricultural production. For this reason, adequate production and even distribution of food has of late become a high priority global concern.

Today's agricultural marketing has to undergo a series of exchanges or transfers from one person to another before it reaches the consumer. There are three marketing functions involved in this, i.e., assembling, preparation for consumption and distribution. Selling on any agricultural produce depends on some couple of factors like the demand of the product at that time, availability of storage etc.

In India, there are several central government organizations, who are involved in agricultural marketing like, Commission of Agricultural Costs and Prices, Food Corporation of India, Cotton Corporation of India, Jute Corporation of India, etc. There are also specialized marketing bodies for rubber, tea, coffee, tobacco, spices and vegetables.

Under the Agricultural Produce (grading and marketing) Act of 1937, more than forty primary commodities are compulsorily graded for export and voluntarily graded for internal consumption.

Agriculture Marketing

Agricultural marketing involves many activities and processes through which the nutriment and raw material move from the agriculture land to the final consumers. Agriculturist supplies goods for consumption and for exports and manufacturing sectors. The marketing system should be so designed as to give proper reward to the efforts of the agriculturist. But unfortunately, in our country, the middlemen enjoy the benefits at the cost of disability, illiteracy of the poor Indian agriculturists. A little part of the price paid by buyers reaches the farmers while the big part is engulfed by the middlemen.

Problems of Marketing of Agricultural Products

Mahatma Gandhi once remarked that India lives in the villages, which in true sense means that more than 80 percent of the population has their domicile in rural areas and 89 percent of the workers belong to the rural sector while almost 99 percent of the farming community lives in villages. Therefore, much stress is to be given on improving the rural economy. Almost three quarters of the world's 1.2 billion poorest people live in remote rural areas and depend on agriculture for their survival.

One of the worst problems faced by the farmers of Meghalaya is that of marketing their products for which majority of the farmers fail to get remunerative prices and compel to dispose their products at a very low price and thereby the middlemen avail the opportunity of deriving due benefits. It is no denying the fact that the present scenario of agricultural marketing in Meghalaya is very unacceptable and unfavorable which is mainly due to the major constraint that the farmers usually do not have information about the prevailing market prices of commodities.

Theoretical background of the Study

Due importance should be given to reviewing the earlier literatures which is the stepping stone for carrying out the new study. The prime motive behind review of literature is to substantiate and publish the new work from that of the previous ones. This chapter focuses its attention on problems in marketing of agricultural products in India. An effort is made by the researcher to compile the problems provided by agricultural concerns by referring various journals, news papers, magazines, dissertations, thesis, internet and other sources.

Jayasubramanian.P and Sasikumar (2015), this study focused to identifying the “Problems and prospects of Turmeric production as perceived by small farmers in Erode District”. In their study observed that India is basically an agrarian society where sole dependence has been on agriculture since time immemorial. Trading of agriculture produce began for exchange of money, and from then, trading to marketing of agricultural produce began although mostly it is a way of traditional selling. Agricultural marketing as a concept is still evolving in Indian society.

Rajendran.G and Karthikesan.P (2014), while analyzing the “overview of Agricultural Marketing in India”, the organized marketing of agricultural commodities has been promoted through a network of regulated markets. While by the end of 1950, there were 286 regulated markets in the country, their number as on 31 march 2006 stood at 7566. In addition, India has 21780 rural periodical markets, about 15 per cent of which function under the ambit of regulation. But the rural periodic markets in general and the tribal markets in particular, remained out of its developmental ambit.

Problems faced by the farmers in the Marketing of Agricultural Products

In this paper we analyze and discuss the major problems in marketing of agricultural products in India. Hence the government of India has taken various steps to bring about revolutionary change in agricultural by establishing APMCs (Agricultural Produce Marketing Committees), Co-operative societies, information centers, Kisaan call centers and other institutions which provide services to farmers and to regulate the markets but still many problems are being large. Those main problems are as follows:

- **Lack of Awareness:** Due to the limited access of the information, farmers are not familiar with new Innovation, Policies, Recent change in the price and distribution policies, new innovations and techniques, new rules and regulations etc.
- **Lack of Finance:** To finance seasonal requirements more finance is necessary in a particular period. Financial need also varies from year to year depending upon the quantity of production.
- **Large Number of Middlemen:** Concentration process is very important for agricultural goods. The middlemen sell the agricultural goods to the consumers at a higher price and give lower returns to the agriculturist.
- **Transportation and Storage Facilities:** There is high demand for transportation and storage facilities in the harvest seasons, in order to protect the produce from deterioration in quality. So special transportation and storage facilities have to be provided.
- **Grading and Standardization:** Grading and standardization is important for agricultural products. But it is not easy to grade and standardize the products, as there are many agricultural goods and one produce has many qualities.
- **Branding:** Agricultural products do not create demand. Advertising is not possible due to the limited resources of agriculturists. As there are many qualities branding is also not an easy job.

Agricultural Marketing Reforms

Agricultural sector need to develop to drive the market in the form of growth, employment and economic prosperity both in rural and urban areas from above problems. The government of India has launched inundated schemes and programs to enhance the marketing of agricultural produces.

Grading and Standardization

The Agricultural Produce (Grading and Marking) Act, 1937 empowers the central government to fix quality standards, known as „AGMARK“ standards, and, to prescribe terms and conditions for using the seal of AGMARK. So far, grade standards have been notified for 181 agricultural and allied commodities. The purity standards under the provision of the PFA Act and the Bureau of Indian Standards (BIS) Act, 1986, are invariably taken into consideration while framing the grade standards. International standards framed by Codex/International Standards Organization (ISO) are also considered so that Indian produce can compete in international markets.

Marketing Research and Information Network

This is a central sector scheme that was launched by the Department of Agriculture and Cooperation in March 2000. The scheme aims at progressively linking important agricultural produce markets spread all over India and the State Agriculture Marketing Boards/ Directorates and the DMI for effective exchange of market information. The market information network, AGMARKNET (agmarknet.nic.in), is being implemented jointly by DMI and NIC, using NICNET facilities available throughout the country.



Agricultural Marketing Infrastructure, Grading and Standardization

The scheme for the development/strengthening of agricultural marketing infrastructure, grading and standardization was launched on 20 October 2004. Under this scheme, a credit-linked investment subsidy is being provided on the capital cost of general or commodity-specific marketing infrastructure for agricultural commodities and for strengthening and modernization of existing agricultural wholesale markets, and rural or periodic markets in tribal areas.

Farmers' awareness Camps

The APMB's is organizing farmers awareness camps to make them aware of postharvest management, and other important components of agricultural marketing, i.e. market regulation, food safety & quality, grading and standardization, market information and good agricultural practices etc. so that they can get adequate yields and fair returns their produce.

Establishment of cooperatives

NGO's Co-operatives and NGO's are opened to help the farmers at village levels. They help them by providing information about new technologies, conveying the advantages of contract farming, and banking system which help farmers in solving their financial problems etc.

Suggestions

It is very important to remove the problems in the marketing of agricultural products. Following measures can be adopted to improve the agricultural marketing

- For proper marketing of agricultural products adequate and appropriate transport facilities are necessary. They government must take proper steps to improve the transport facility to the farmers for marketing their products.
- Agricultural growth, particularly in staple crops, is among the best routes for achieving these and other development goals in developing countries.
- The world agriculture and food systems must become more productive, more resource efficient, more resilient, and less wasteful.
- The government should increase the credit facilities to the small farmers. No doubt all the commercial banks are providing this facility to the farmers but still it is not sufficient.

Conclusion

In this paper concluded that if the government and farmers work together the problems of marketing agriculture products can be solved. The department of agriculture and Cooperation also formulated a model law on agricultural marketing for guidance and adoption by the state governments. The model legislation provides for the establishment of private markets/yards, direct purchase centers, consumer/farmers' markets for direct sale and promotion of public-private partnership (PPP) in the management and development of agricultural markets in India. The Central and State government should frame policies to protect the welfare of the farmers, because farmers are the backbone of Indian economy. The government should provide special incentives and motivation to the farmers to incorporate an agriculture based production and marketing companies in their location.

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