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AGRICULTURE MARKETING IN INDIA - AN ECONOMIC ANALYSIS

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ABSTRACT:

The current study is an attempt to analyze the Agriculture Marketing domain. Agriculture is a quintessential activity in India, directly and indirectly, influencing about one-third of its population. It played a major role in shaping its socio-economic fabric since ancient days. Agricultural marketing comprises all operations involved in the movement of farm produce from the producer to the ultimate consumer. It includes operations like collecting,

grading, processing, preserving, transportation, and financing. The research problem and theoretical framework were deduced based on existing bottlenecks and by surveying existing reports, research corpus, and literature. The current study is based on secondary data. The findings conclude that despite India being an agricultural economy with compelling sections of people engaged in the agriculture sector, its backbone the marketing system hasn't improved. It is faced with challenges like lack of storage facility, poor transportation, unregulated markets, lack of organization and financial institution.

KEYWORDS: Agriculture Marketing, Farmers Producer Organization Grading, and Regulate Market.

INTRODUCTION:

Agriculture is a pivotal livelihood activity in India, directly and indirectly, influencing about one-third of its population. It played a major role in shaping its socio-economic fabric since ancient days. With the increased and complex demand-supply system, Agricultural Marketing which occupies the epoch of agro-economy with a GDP share of 25% and powering 65% of workforce share in the

nation. The government of India has undertaken various initiatives like the initiation of Specific Commodity Boards, Promotion council for supervising and enhancing marketing, exporting, consumption and production of important agricultural commodities. Agricultural marketing is the branch of managerial science that deals with all the related activities, modules, policy framework, agencies that help procure farm inputs until the final product reaches the consumer.

CONCEPT OF AGRICULTURE MARKETING

"Agricultural marketing comprises all operations involved

in the movement of farm produce from the producer to the ultimate consumer. Thus, agricultural marketing includes operations like collecting, grading, processing, preserving, transportation, and financing."

STATEMENT OF THE PROBLEM

With the advent of new technology and increased manifestation of agriculture progress with the help of modern means of agriculture, farmers have now become open to adopting new technologies to increase production and maximize profitability. This renewed behavior has changed the cropping pattern, which is based on the response of the market

rather than his personal needs. Agricultural marketing that is the most important process plays a vital role in inducing production and consumption pattern, which in turn enhances the agricultural aspect of the nation. It also plays a catalyzing role in making the nation self-sufficient. Cumulative demands for money in obtaining other goods leads to increased sensitivity to relative prices on the part of the producers, and specialization in the cultivation of those crops on which the returns are the greatest, subject to socio-cultural, ecological and economic constraints. These crucial price signals happen at the behest of a vibrant agricultural marketing system.

IMPORTANCE OF THE STUDY

Agricultural marketing is a study that encompasses major activities and operations that leverage the production and consumption of a particular commodity. The journey of a product from its raw form to consumption is an important field of research that has not attracted enough academic focus. This interim network of activities can impact the nation's economy to a considerable extent. This elaborated chain of activities commonly known as the Agricultural marketing system is between the farm and the non-farm sectors.

OBJECTIVES OF THE STUDY

1. To study the importance of Indian Agriculture Marketing.
2. To analyze the problems and prospects of Indian Agriculture Marketing.
3. To suggest suitable measures to improve their performance.

METHODOLOGY

The research problem and theoretical framework were deduced based on existing bottlenecks and by surveying existing reports, research corpus, and literature. The current study is based on secondary data.

ANALYSIS AND DISCUSSION

A detailed discussion on the Promotion of economically viable, self-governing FPOs; encourage policy action, practical knowledge, financial resources and provision for farmers to access markets through FPOs as both consumer and seller. Means to provide investment in FPOs to increase the production and marketing profile. SFAC will provide all-rounded support to FPOs and other entities engaged in the promotion and development of FPOs. The year 2014 is declared as "Year of Farmer Producer Organizations (FPOs)"

AGRICULTURAL MARKETING IN INDIA

Agricultural marketing involves promoting and creating a supply chain to enable active and passive actors to buy and sell agricultural products for consumption and profitability. Although its implication in olden days was different since farmers indulged in agriculture to supply their products to consumers who were immediate and required fewer agents and level of exchange. There was a very different concept of the market then. According to the American Association, "Marketing includes all activities having to do with effecting changes in the ownership and possession of goods and services. It is that part of economics which deals with the creation of time and place and possession utilities and that phase of business activity through which human wants are satisfied by the exchange of goods and services for some valuable consideration

Table - 1
State wise Farmers Producers Organizations (FPOs) registered in India
(Top 15 States)

Sr. No	State	No. of FPOs					
		Mobilized	Under Mobilization	Total	Registered	Under the process of registration	Total
1.	Madhya Pradesh	83277	61723	145000	54	90	144
2.	Uttar Pradesh	55444	7447	62891	84	11	95
3.	Maharashtra	63052	28448	91500	46	43	89
4.	Karnataka	25904	58596	84500	14	68	82
5.	West Bengal	58599	10901	69500	17	50	67
6.	Tamil Nadu	60366	0	60366	53	7	60
7.	Telangana	58354	0	58354	44	10	54
8.	Rajasthan	51277	6223	57500	42	7	49
9.	Odisha	26097	12803	38900	6	35	41
10.	Gujarat	31047	953	32000	22	11	33
11.	Chhattisgarh	13293	12707	26000	5	20	25
12.	Assam	25000	0	25000	25	0	25
13.	Bihar	14148	3852	18000	8	11	19
14.	Andhra Pradesh	5976	6024	12000	5	7	12
15.	Uttarakhand	44004	0	44004	7	0	7

Source: Small farmers Agri Business consortium, Agriculture and Farmers Welfare, Government of India (2016)

Agriculture Marketing Structure in India

Agricultural commodities are not produced only in particular regions or areas- these are produced in almost all areas of the country. Usually, the production is in small quantities. Some agricultural commodities are produced in one region but sold in other regions of the country or of the world. The majority of farmers are not capable of selling their produce, because of its small quantity, in other regions of the country. Many middlemen are involved in taking the farm products from the place of production to the ultimate consumer. There may be several middlemen, engaged at different levels, and this increases the gap between the price paid by the consumer and that received by the producer. In this way, the farmers are getting the benefit of having maximum remunerative prices for their produce, and the gap between the prices received by the producer and paid by the consumer has been minimized.

Defects of Agriculture Marketing in India

- Absence of a Common Trade Language
- Distress Sale
- Heavy village trade
- Intermediaries
- Lack of Grading
- Lack of Market Intelligence
- Lack of Storage Facility
- Lack of Transportation

- Unregulated Market's
- Variation in Market Charges

SUGGESTIONS FOR IMPROVEMENT OF AGRICULTURE MARKETING

1. Providing additional and extended storage and warehouse facilities for farmers to increase the shelf life of their agricultural produce.
2. Improvement in the infrastructure of existing market yards and construction of other allied facilities for new and existing markets.
3. Imparting standardized grading and quality process for agricultural produce to increase consumer trust and maximize profits for farmers.
4. Drafting separate agricultural price policy under the supervision of the Government to avail provision for remunerative prices of the agricultural commodity.
5. The co-operative marketing societies should avail the processing of food products and ensure value addition to help the farmer get a better return with provision for employment.

CONCLUSION

From the above analysis, it concluded that India is mainly an agricultural economy as most of the people in the country are engaged in the agriculture sector. But the marketing system of agricultural products has remained very backward in the country. Many problems such as lack of storage facility, poor transportation, unregulated markets, lack of organization, lack of institutional finance, etc. are involved with the agricultural marketing system in the country. However, several measures or schemes have been undertaken by the government for the improvement of the agricultural marketing system in India. It is hoped that the proper implementation of these measures will bring a huge benefit or improvement for the agricultural marketing system in the country. Marketing plays an important role in developing countries, which consolidates the food and allied distribution activities. There is no use in stressing the need to improve other activities of agriculture without correcting or redressing the lucrative marketing industry. The economy could be only fluid if the buying power of the consumer and quality supply chain goes hand in hand in an agriculture-dominated nation. The agricultural marketing system ensures the smooth running of this machinery.

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