

Types and Problems of Agricultural Markets in India

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Abstract – The bulk of the people tended to live on agriculture in India explicitly or indirectly. The system of Indian farming has undergone many shifts. India has healthy indicators of change in agriculture and related operations, which are mostly an agricultural economy. As other sectors of output rely on it, India has seen agriculture as a precious tool for economic growth. The efficient convergence of agriculture backwards and further contributed to a cost and quality method of output that is internationally successful. It seems that cooperatives are better suited to organise commodity distinction at farm level and translate it into manufacturing value-added operations. Indian farming by good and best management practises can be balanced and effective. This report highlights historical and current scenarios, obstacles and potential guidance for agricultural marketing in India. In addition, the marketers can take advantage of the opportunities offered by agricultural marketing.

Keywords – Commercialization, Agricultural marketing, foreign direct investment (FDI, marketing cooperatives, contract farming.

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INTRODUCTION

Department of Agricultural Marketing & Agri Business' vision is to ensure that the farming community is fairly priced and its task is to achieve this by most effective enforcement of the current act and rules and also the implementation of new techniques aimed at reducing losses before and after harvesting through appropriate methods. Green Revolution programmes also gained autonomy through increased processing of food crops. A number of measures to encourage state agricultural marketing were taken simultaneously. In order to promote and maintain the rate of economic rural growth, agricultural marketing infrastructure plays a key function. Marketing is as essential as farming itself to improve farming efficiency.

The Agri Business method begins with a determination to generate a sellable farm crop and encompasses all facets of pre- and post-harvest activities, including grading, added value, packing, refining and transport. This adds importance to agricultural products. The department of Agricultural Marketing, which operated since 1977, has been renaming in 2001 the Department of Agricultural Marketing, with the key purpose of the Regulation of Agricultural Marketing, as Department of Agricultural Marketing and Agri.

What you need to hear about the selling of agricultural products. Food feed, industrial crops, garden crops, horticultural products and semi-processed products are part of agricultural marketing.

Agricultural Marketing is a procedure that begins with a decision on a sellable agricultural product and includes, depending on technological and economic factors, all aspects both of the functions of the business and of the market layout or of the method, including, for example, the assembly and the classification, collection, transport or delivery of pre- and post-harvest activities.

According to Thomsen – All the operations and agencies engaged in transporting agricultural products, raw materials or their derivatives, such as textiles, from the farms to the final customers, and the consequences of those operations on producers, intermediaries and consumers shall be included in the analysis of agricultural marketing.

According to the National Commission on Agriculture – Agricultural Marketing is a procedure that begins with a decision on a sellable agricultural product and includes, depending on technological and economic factors, all aspects both of the functions of the business and of the market layout or of the method, including, for example, the assembly and the classification, collection, transport or delivery of pre- and post-harvest activities.

Agricultural products marketing in India is of no mean importance. Marketing in agriculture is one of the several issues directly affecting farmers' fortunes. In its broad context, agricultural marketing includes all activities including the transport from the

field to the end user of the products and raw materials.

It requires stock handling at farms, initial sorting, grading and packaging such that consistency is maintained and improved and waste is avoided. Unfortunately, the existing agricultural commodities marketing framework in India is highly deficient and needs a comprehensive redesign.

Both the government and specialists on agricultural issues have been acknowledged to be tight links between agricultural development (farming), agricultural financing (credit) and agricultural marketing (sales of agricultural products).

Farm goods include not only products resulting from agriculture but also dairy, meat, berries, vegetable and so on products. Eggs, fruits, herbs as well as honey are also farm commodities in this broader context.

Despite the advanced marketing of agricultural equipment, better standardisation and grading methods, advanced communications systems, scientific storage and storage, India's agriculture is still behind the scenes.

CHARACTERISTICS:

The peculiar characteristics of agricultural produce are:

- (a) Bulkiness
- (b) Perishability
- (c) Wide varietal differences
- (d) Seasonality
- (e) Dispersed production
- (f) Processing needs for consumption.

These features allow the selling of farmers a complex mechanism. In general, farmers offer their agricultural products without processing directly after harvest. Because only raw products are sold, several intermediaries have to work between the manufacturer and the customer.

Marketing channel is the way the products go from manufacturer to the ultimate customer. The marketing channels vary in form and sophistication from product to commodity. The demand on the roadside is a really easy marketing medium, from producers to consumers (Vegetables). However, most goods have to be processed at various stages of the marketing channel and go through a large number of companies before reaching the last customer.

Agricultural marketing not only helps stimulate demand and use, but also helps accelerate economic growth. It is the largest agricultural production multiplier. Due to the output surpluses produced by the move, the

marketing method is the greatest challenge in moving from conventional agriculture to modern agriculture.

IMPORTANCE OF AGRICULTURAL MARKETING:

1. Resources and Output Management Optimization An effective farm marketing strategy results in optimizing the usage of resources and the control of produce. An successful marketing scheme can often help to boost marketable surpluses by reducing losses resulting from inadequate production, storage and movement. The availability of new inputs can be easily distributed via a well-designed marketing mechanism and thus higher growth rates in the agricultural field can be sustained.
2. An successful marketing scheme guarantees greater profits for farmers by minimizing the amount of intermediaries in the marketing of farm goods or by reducing the expense of marketing services and malpractice. An effective scheme ensures that farmers have better prices for agricultural goods and leads them to invest in the acquisition of modern income, thus enhancing efficiency and output. This again leads to a rise in farmers' inventory surpluses and incomes. If the manufacturer is not able to sell his surplus product readily available, he does not have a strong desire to make more.
3. The demand for goods can be extended by an effective and known marketing scheme to distant corners both inside and outside the world, i.e. in places far from manufacturing places. The expansion of the industry contributes continuously to an increase in production and thereby assures the producer greater profits.
4. An strengthened and effective farm marketing mechanism supports the growth of agro-based sectors and boosts the overall economic development phase. Agriculture for production of raw materials depends on many sectors, such as cotton, rice, edible oils, food manufacturing and juice.
5. Signals for prices A marketing scheme that is effective lets farmers schedule their output in line with economic requirements. This work is performed by sending price signals. Notes written for the Agricultural Marketing Course AgEcon530: Training course: S.K. Srivastava, Scientist (Agril. Economics), NCAP, ND-110 012
6. New technology adoption and dissemination The selling method allows farmers to learn new science and

technology. New technology needs increased expenditure, and farmers can invest only if market clearance is guaranteed at a rewarding price.

7. **Development of jobs** The marketing mechanism offers jobs for millions of people involved in different operations, including manufacturing, transport, storage and processing. Individuals such as commission officers, brokers, dealers, weighers, hammers, packagers and regulators can be used specifically by the marketing mechanism. Several others often find jobs in the selling system's procurement of products and services.
8. **Addition to National Income** Marketing activities add value to the product thereby increasing the nation's gross national product and net national product
9. **Doing Well For the effectiveness of growth programmes** intended to raise people as a whole, the marketing system is important. Any urban development programme aimed at reducing the rural populations' hunger, reducing food costs for the producer, making further foreign exchanges or removing economic waste must therefore pay particular attention to the development of an effective marketing system for food and agricultural produce.
10. **Marketing is profitable**, as important as agricultural output. It is, in effect, only when the commodity enters the position demanded by customers and at the time of its being produced is it full. Marketing increases selling costs, but simultaneously it provides services to the product

TYPES OF AGRICULTURAL MARKETS:



1. Primary or Local Markets:

In the neighbourhood of a community of villagers there are primary markets known as Hatts and Shandies once or twice a week. More than 22,000 of these markets exist in India. In these markets, most farmers

offer their agricultural goods. In these markets, about 50% of the overall surplus marketed is offered. These markets are organised by the Panchayats village, which charges some shopkeepers for the occupied area. A typical characteristic in these economies is haggling and negotiation. In certain markets the village of Bania serves as a midwayer.

2. Secondary Markets:

They are often referred to as wholesale or assembly markets and are referred to as "mandis" or "gungs." Any 4145 of such markets exist. These markets are permanent; operations are routinely conducted in the markets during the year.

The production is done in vast amounts, and the performance of various utilities requires skilled operators. The markets are well served by roads and railway networks and have logistics, management and financial services. In these sectors, a variety of intermediaries run.

3. Terminal Markets:

These markets bring products to retailers, end-users or processing sites. These markets are the result. In major towns or in ports these markets can be located. Their field of operation stretches across a territory.

4. Fairs:

Religious events are key sources of commercialization of agricultural products in India in pilgrim centres. Such fairs are conducted annually by county officials, state governments or private bodies. The fairs in Bhar, W. Bengal, UP, Orissa, Maharashtra, Gujarat and Rajasthan have been quite famous.

5. Regulated Markets:

The Government has developed these to monitor illegal activities that are usually conducted by traders on both main and secondary markets. The government's marketing practises prescribe the laws and legislation on these sectors.

6. Co-Operative Marketing:

These economies operate according to co-operation rules. A mutual selling society directs farm produce to customers, replacing a vast army of intermediaries and middlemen.

7. State Trading:

State trade of agricultural products in India has become a significant marketing feature. State organisations such as the Food Corporation of India,

establish their own exclusive centres in and around villages and mandis at harvest time in order to obtain goods at fixed rates from farmers to the state.

PROBLEMS OF AGRICULTURAL MARKETS:

Though India is an agricultural region, its marketing in agriculture is still poor. Even after their hard job, Indian farmers cannot get fair rates for the goods and are abused by intermediaries.

1. Too Many Intermediates

One of the biggest shortcomings of Indian farming marketing is so many intermediaries and their manipulation of farmers. These intermediaries manipulate producers, on one side, by buying the produce at cheaper rates, and on the other, by seeking higher prices from them, exploit the consumers. The only objective is to obtain higher income from middle-processes from a variety of commission agents, brokers etc. These intermediaries use their financial capital in an unfair way for the former deprived.

2. Defective Weights and Scales

Weight and size was one in the major weaknesses of agricultural marketing. Bricks are mostly used as weights in rural regions, etc. and deficient weights are often found in urban markets. The farmer's grain for its own benefit is thus weighted by a heavier weight. Most traders maintain individual weights to buy and sell grain.

3. Illiteracy and Lack of Unity among Farmers

The Indian farmers are analphabets who because of their plain disposition are simpler to delude by the moneylenders, merchants, intermediaries. Similarly, the lack of solidarity among farmers is also caused by the indigenous farmers spreading to rural areas in distant areas. They never meet and settle their issues and thus don't get a good price for their products.

4. Lack of Financial Resources

There is a shortage of financial services in rural areas and may not meet even their emergency needs. The farmers would then market their products until they are matured. Also, such funding equipment such as the pumping kit, truck, thrasher etc. loans payments must be paid on a monthly or quarterly basis, as a result of which the goods must be sold as quickly as possible. Thus, since the farmers are not receiving any financial aid, the issue is also the receipt of loans.

5. Lack of Organised Marketing System

In India, the marketing of agriculture is also very poor since structured marketing is not in fashion, for example, cooperative companies, government marketing operations, daily markets, etc. As a consequence, the farmer stays intruded. The absence

of a coordinated marketing scheme is also detrimental to farmers. This is why the farmer directly sells his goods to various individuals. The centre benefits unorganised farmers to their greatest advantage.

6. Lack of Transport Facilities

Strasse between towns and villages is normally unmade and not transportable throughout the rainy season. Just a small field may be used by the bullock carts. The farmer cannot get his products to the right market during a shortage of transport facilities and cannot get a just price for his goods.

7. Lack of Store Houses

The absence of stores is a critical shortcoming in Indian agricultural marketing. The farmer is unable to hold his goods secure because of the absence of this facility, unless he gets a reasonable offer and has to sell his goods at a low price. Significant amounts of grain are wasted for lack of adequate and unscientific facilities. Around 20 to 30% of the profits are wasted by mice, mosquitoes and so on. Because of the absence of such services, farmers have to suffer crumbles.

8. Lack of Standardization

In Indian Agricultural Marketing, the absence of standardisation and classification is readily apparent, which makes it impossible to conclude an agreement on these goods. The consumers have a difficulty buying the commodity because of the absence of correct standardisation and scoring.

9. Lack of Awareness of the Market

The Indian farmer has little marketing experience. He trusts in intelligence gained from the village's merchants and moneylenders. The Indian farmers are mostly analphabets and cannot read the journal. They also may not have enough business awareness. Now the government transfers the retail prices to a ratio that certainly has been beneficial to them.

10. Corrupt Policies of the 'Mandis'

If the mandis is observed, this no longer hides the reality that the middlemen and merchants make plain farmers foolish together. The Indian Organizing Society has explained the following details about unethical mandis policies

- The improper selling scheme is laden so far in India that approximately 5 per cent in the name of gifts, 'dharmada' and 'chanda' is deducted from the agricultural products etc.
- Since they lack the understanding of commodity prices, changes in their prices,

government policy etc. the farmers are paying lower prices.

- Therefore, farmers are deceived by holding the prices secret.
- Significant quantities of grains from farmers are collected as samples prior to auction. The minimum rates are charged for the commodity by claiming it to be of poor quality.

11. Long chain of middlemen

Probably the longest series of intermediaries is agricultural products. Any intermediaries, such as wholesalers, traders, commissioners, distributors and so on are present in the industry. Both these citizens migrate through the agricultural products before reaching the final customer. The price rises as it flows through each individual. It is only the customer, however, that ultimately bears the responsibility. The high price charged by the customer thus would not hit the farmer. It is only handled by the market agents.

12. Malpractices in the market

The intermediaries use some unwanted activities on the market to make fast money at the expense of both supplier and customer. The following are some such activities:

- i. Use of false weights and measurements.
- ii. Adulteration.
- iii. Black-marketing and hoarding and so on.

13. Producer does not determine the price

It is just the manufacturer that decides the specific price of the commodity for residential and industrial products. He's adamant of his edge too. By comparison, the farmer does not realise the price at which his products will be offered to the ultimate buyer. The farmer doesn't choose anything. The ultimate price in the selling of agricultural products is determined only by the intermediaries. In reality, the farmer does not know his income.

14. Problems in Transportation

Most Indian villages don't have adequate highways. As a consequence, farmers are primarily required to transport their farm products on bullock and other traditional modes. This results in delays in the marketing of the products. While trucks are being used more and more for transporting peregrinations, transport costs are generally very large. As a consequence, farmers have a very poor yield.

CONCLUSION:

Four agricultural marketing networks exist in India, such as village sales, sales in Mandi, market sales, and cooperative marketing. Transportation costs, insufficient retail facilities, lack of market knowledge, absence of production equipment, storages, fluctuations in prices are the main problems for agricultural marketing. For satisfactory agricultural marketing it would be essential to remove intermediaries, ample storage facilities, free moneylenders, sufficient transport facilities, availability in the form of loans and training facilities, etc. Some people proposed improving agricultural marketing in India by insurance for crops and technological guidance. Among all these issues, transport charges by the full number of farmers are a big problem.

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