Journal of Advances and Scholarly Researches in Allied Education

Vol. V, Issue X, April-2013, ISSN 2230-7540

MARKETING OF AGRICULTURAL INPUTS

www.ignited.in

Journal of Advances and Scholarly Researches in Allied Education
Vol. V, Issue X, April-2013, ISSN 2230-7540

Marketing of Agricultural Inputs

Mrs. Rajesh Bala

Assistant Professor in Commerce I.B. PG College, Panipat Haryana – India -136118

Abstract – The overall analysis of marketing of agricultural inputs in Haryana in respect of cotton seeds, wheat seeds, fertilizers, pesticides, and tractors with regards to awareness level of the farmers, usage of varieties, features or factors considered for selecting a particular variety, mode of payment, their sources of information, perception regarding the price, product assortment offered by different companies, the influence of retailers, co-farmers and relatives, preference of electronic media and awareness of rights of the farmers etc. The mode of sale of each source is found different from place to place according to the demands of the farmers. The agency holders/shopkeepers/retailers always try to influence the farmers for selling the above agricultural inputs provided by the marketers. In order to satisfy the farmers, every company is trying to implement marketing mix. The agriculture departments at centre level as well as state level, Indian Council of Agricultural Research and agricultural universities are likely to witness a sea change in the realm of changing liberalized current scenario. In this regard the research is carried out and a deep and careful analysis is made.

----------X----------

INTRODUCTION

India's economy is the second fastest growing economy after China and it has occupied the fifth largest position in the world by the GDP measured on purchasing power parity (PPP) basis. The varied economy of this country consists of traditional farming, modern agriculture, handicrafts, a wide range of industries and a multitude of services.

India started the journey of agriculture by 9000 BC as a result of early cultivation of plants, and domestication of crops and animals. For the permanent settlement at one place, the implements & agriculture related techniques started developing. Double monsoons led to two harvests in a single year in India. Indian agricultural-products reached the world via existing old trading networks and also the cropping pattern from abroad was introduced to Indian farmers.

The agriculture has always been the significant contribution in Indian economy. During 1990s, it contributed one-third of the gross domestic product (GDP). It has also been noticed that the contribution of agriculture in GDP has declined if it is compared with the growth of manufacturing and services sectors. However, it still contributes the bulk of wage goods, livelihoods, as well as huge number of raw materials for non-agricultural sectors.

Table : Share of agriculture sector in total GDP

Year	Agriculture	GDP	Share of Agriculture in GDP
1950-51	5155	9664	53.34
1960-61	7267	16546	43.92
1970-71	18657	42903	43.49
1980-81	49640	132520	37.46
1990-91	164575	515032	31.95
2000-01	495271	1925017	25.73
2001-02	534488	2097726	25.48
2002-03	534802	2261415	23.65
2003-04	596224	2538170	23.49
2004-05	637198	2877701	22.14
2005-06	720168	3282385	21.94
2006-07	792069	3779385	20.96
2007-08Q	900028	4320892	20.83

Q=Quick estimates
Source: Economic Survey, 2008-09

The table describes the share of agriculture sector in the total GDP of India from the year 1950-51 to 2007-2008 and it clearly shows that the GDP is increasing rapidly, but the growth of agriculture sector is not increasing as per the speed of GDP because the share of agriculture in total GDP is decreasing every year.

"India's population is growing faster than its ability to produce rice and wheat". The challenge which is faced by the country today is to achieve rapid and sustainable growth in the agricultural production in order to feed the growing population. For meeting the

food requirements of the rapidly increasing population, the pragmatic alternative strategy is intensive agriculture leading to increase in crop yields. The enhancement of agricultural output is contingent upon the supply of good quality agricultural inputs. The slow agricultural growth is a concern for policymakers as till date majority of population depend on it for their living. The ongoing agricultural practices are neither conducive economically nor environment friendly and simultaneously the yield is also low. The major factors responsible for this are adequate extension services and poorly managed irrigation system. The peasants also have to confront by poor market infrastructure, bent roads and excessive regulatory controls.

The essence of development in the field of agriculture lies with the usage of better inputs and methods for agriculture. Quality seeds, better irrigation, manures, fertilizers, pesticides, land reclamation, soil conversion, plant protection, and use of mechanization, etc. along with the various government programmes for the protection and promotion of agriculture and related activities.

RESEARCH METHODOLOGY

In Haryana, the Government plays an important role in the distribution and marketing of agricultural inputs as it plays the dominant role in this context. The prices of these products are determined by the manufacturers in consultation with the government particularly in case of seeds, fertilizers, and pesticides. The marketing of tractors is made through their dealers or their agencies allocated at district headquarters or at big cities. Similarly the marketing of other three products is also made through their dealers or agency holders. Since all these can affect the supply, availability and purchases of these products, it is important to know the farmers' perception towards marketing practices of such products. The key area which needs to be kept under consideration are distribution channels, promotional strategies product design and process of determining the price. In view of this, the present study is designed to assess marketing practices of selected agricultural inputs in Haryana. The various dimensions of marketing practices revolve around 4 Ps namely product, price, place and promotion. The researcher attempts to study the marketing mix for cotton seeds, wheat seeds, fertilizers, pesticides under consumable inputs and tractor in the category of capital items. The research also investigates the consumers' perception towards the marketers' efforts in terms of 4 Ps in these agricultural inputs so as to know the current market scenario and suggest the strategies for the improvement of marketing practices.

OBJECTIVE OF THE STUDY

The main objective of the present research is to know the marketing of agricultural inputs in Haryana. To achieve this objective, the following sub objectives have been formulated for the study:

i) To study the current scenario of agricultural inputs marketing in Haryana;

ii) to study the marketing mix of agricultural inputs;

iii) to study the steps taken by the companies to enhance satisfaction level of farmers regarding inputs under study; and

iv) to suggest the remedial measure to enhance the optimum satisfaction level related to marketing mix.

HYPOTHESIS OF THE STUDY

i) There is no significant difference in the usage pattern of the inputs amongst the farmers on the basis of their educational background.

ii) There is no significant difference in the usage pattern of the inputs amongst the farmers on the basis of their land possession.

Haryana is predominantly agrarian state as 65 per cent of population resides in villages. Their main occupation is agriculture (farming). The Haryana state spreads in 44, 212 square kilometers comprising of 20 districts. The total population of the state is 2, 10, 82, 989.

Two different samples have been drawn from each one of the representative district of cotton and wheat seeds i.e. Fatehabad and Ambala respectively. The data of all the respondents have been collected for the analysis of seeds, fertilizers, pesticides and tractors. The data has also been collected from the secondary sources to assess the current marketing practices of the suppliers whereas primary data has been gathered from the farmers.

DATA COLLECTION

In order to collect primary data, two structured questionnaires have been designed, tested and modified. Initially these questionnaires have been drafted on the basis of literature review, experts' interviews, retailers, dealers and agency holders' views. A pilot survey has been conducted to ascertain the accuracy, respondents' understanding and objectivity towards the questionnaire. The questionnaire has been modified with necessary amendments after pilot survey and final questionnaires have been drafted for data collection purpose. Questionnaire-I & II deals with farmers' perception towards agricultural inputs. Questionnaire-III contains five parts for conducting the survey of the shopkeepers, agency holders/dealers available in both districts of Haryana under the study.

STATISTICAL ANALYSIS

Initially the data collected through questionnaires has been duly tabulated and classified in SPSS 13.0. The

data has been analysed with the help of counts, percentage and cross tabulation. Chi-square test has also been applied to test the level of significance of association between various demographic and dependent variables under study.

ANALYSIS:

The farmers in India generally perceive that cotton yield is affected by insects and pests. However, with the introduction of advance hybrid and Bt.cotton seeds, this perception may change. Seed marketing is more complex and specialized process as compared to marketing of other agricultural inputs. The rise of the private sector coupled with modern production technology, would bring success in gaining high yield of varieties under cultivation. However, if potential of a variety is poor, then other inputs cannot help in increasing the yield. Therefore, selection of a good variety of seed becomes the vital issue. But this aspect is dependent upon the awareness level of the farmers, usage of varieties, consumption, features or factors considered for selecting a particular variety, mode of payment, their sources of information, perception regarding the price, product assortment offered by different companies, the influence of retailers, co-farmers and relatives, preference of electronic media and awareness of rights of the farmers etc.

The data for cotton seeds has been collected from the farmers of four villages of two blocks of district Fatehabad through a well structured questionnaire. The analysis related to marketing of cotton seeds has been discussed in this section in context of the above cited factors.

The table discusses the village wise distribution of respondents on the basis of education and land holding.

Table: Profile of the respondents

Variables	Fatehabad				
	Fatehabad		Ratia		Total
	Driyapur	Bighar	Hizrawan Khurd	Ahli Sadar	
Education Level					
Illiterate	38	39	43	37	157(39.25)
Primary	30	31	33	34	128(32.00)
Matric	25	22	19	20	86(21.50)
Graduate or above	07	08	05	09	29(7.25)
Land holding (in acres)					
Upto 10	35	21	22	21	99(24.75)
11 - 25	41	47	49	42	179(44.75)
26 - 50	14	22	18	29	83(20.75)
51 - 100	08	09	09	08	34(8.50)
Above 100	02	01	02	00	5(1.25)

Source: Primary data
Figures in parenthesis denote percentage

The table reveals the profile of 400 respondents from four villages of two blocks i.e. Fatehabad and Ratia of Fatehabad district of Haryana consisting of 100 respondents from each village. It can be observed from the table that a majority of the respondents are either illiterate (39.25%) or qualified upto primary standard (32%) irrespective of their place of residence. 21.5 per cent of the respondents are qualified upto matriculation level and a small number of respondents (7.25%) possess the qualification of graduation level or above. As far as their land possession is concerned, majority of the respondents (44.75%) own the land between 11 to 25 acres and 24.75 per cent of the respondents possess upto 10 acres of land. Farmers from Ratia block are having slightly more possession of land in comparison to the farmers from Fatehabad block when it comes to the range of 26 to 50 acres of land. The farmers own the equal land holding in both the areas as far as the possession of 51 to 100 acres of land is concerned whereas a meager number of respondents possess more than 100 acres of land in this area.

The awareness level of the farmers with respect to varieties of cotton seeds has been discussed in table.

Table : Awareness regarding varieties of cotton seeds

No.of varieties	Desi Cotton		American Cotton		
	Conventional	Hybrid	Conventional	Hybrid	BT.Cotton
0 – 4	215(53.8)	213(53.3)	247(61.8)	188(47)	112(28)
5 – 8	148(37)	162(40.5)	131(32.7)	168(42)	160(40)
9 – 12	37(9.2)	25(6.2)	22(5.5)	44(11)	80(20)
More than 12	--	--	--	--	48(12)
Total	400(100)	400(100)	400(100)	400(100)	400(100)

Source: Primary data
Figures in parenthesis denote percentage

It can be gauged from the table that majority of the respondents (61.8%) are aware about upto four varieties of Conventional American cotton seeds. The similar trend can also be observed in case of Desi cotton seeds. However, in case of over all scenarios, farmers have adequate awareness about eight varieties of both kinds of seeds. But in case of Bt.Cotton, 12 per cent farmers are aware more than 12 varieties.

The table shows the number of varieties of cotton seeds being used by the farmers in the villages under study.

Table: Usage of varieties of cotton seeds

Village	Single Variety	Multiple variety
Dariyapur	73	27
Bighar	52	48
Hizrawan Khurd	66	34
Ahli Sadar	59	41
Total	250(62.50)	150(37.50)

Source: Primary data
Figures in parenthesis denote percentage

This table highlights the number of varieties of cotton seeds being used by the farmers of different villages. A majority of farmers (62.5%) prefer to sow single variety in their fields whereas 37.5 per cent farmers use multiple varieties of cotton seeds.

The table depicts the association between usage of cotton varieties and the education level/ land ownership of the farmers.

Table : Chi-square analysis of education level and land possession of farmers and the usage of cotton varieties

Education	Single variety	Multiple variety	Land ownership	Single variety	Multiple variety
Illiterate	110(70.06)	47(29.94)	upto 10 acres	93(93.94)	6(6.06)
Primary	78(60.94)	50(39.06)	upto 25 acres	137(76.54)	42(23.46)
Matric	52(60.46)	34(39.54)	upto 50 acres	20(24.09)	63(75.91)
Graduate or above	10(34.48)	19(65.52)	upto 100 acres	0(0)	34(100)
Total	250(62.50)	150(37.50)	above 100 acres	0(0)	5(100)
			Total	250(62.50)	150(37.50)

Source: Primary data
Chi-square value 13.830, significant at 1%

The table explains the preference and practice regarding number of varieties of cotton seeds used by the farmers of different educational and land ownership categories. The results reveal that as the education level of the respondents increases, they tend to shift from single variety to multiple varieties of seeds. It clearly shows that use of single variety of seed is decreasing with increasing education level, whereas the use of multiple varieties goes up. Further, it can also be observed that the farmers who possess small land holding, were found using mainly the single variety, whereas on the other hand, the farmers with relatively larger land holding were found using multiple varieties of cotton seeds. The association between the two variables was also subjected to the chi-square value, which was found significant at 1 per cent level, in both the cases.

REFERENCES:

- Acharya, S. & Agarwal, N.L. (2004). Agricultural marketing in India (4th ed.), Oxford & IBH Publishing Co. Pvt. Ltd., New Delhi.
- Chakraborty, D. (2003). Agricultural growth and the small farmer in India. Bazaar Chintan, IDE Publisher, New Delhi
- Christopher B. B. & Emelly M. (2005). Agricultural Markets in developing countries. Entry in Lawrence E. Blume and Steven N. Durlauf, editors. The New Palgrave Dictionary of Economics, 2nd Edition.
- CIA - The World Factbook - Rank Order - GDP (purchasing power parity). Retrieved March 13, 2009 from https://www.cia.gov/library/publications/the-world-factbook/rankorder/2001rank.html.
- Dahiya, B.S., Deswal, D.P., Duhan, J.C. & Kashyap, R. (1997). Status of seed quality at farmers' level in field crops. In: Seed Technology (Dahiya, B.S. and Rai, K.N. eds.).
- Gopalswamy, T.P. (1997). Rural Marketing: Environment, Problems and Strategies, Wheeler Publishing, New Delhi, Ist edition.
- Malik, S.A. & Chahal, V.P. (2003). Seed business in Punjab and Haryana-Role of private sector. In: Agribusiness and Extension Management, edited by B.S. Hansra and K.Viayaragavan, Concept Publishing Company, New Delhi.
- Morris, M. L., (2002). The Development of the Seed Industry under Globalization, in D. Bigman, Ed., Globalization and the Developing Countries: Emerging Strategies for Rural Development and Poverty Alleviation, CABI Publishing in association with ISNAR, Wallingford, U.K.
- Agriculture marketing, Government of India. Retrieved February 24, 2008, from www.india.gov.in
- Agriculture Support Services, Government of Haryana. Retrieved August 20, 2007 from www.agriharyana.nic.in/Support.htm.
- Brown,Department of Agriculture Haryana. Retrieved July, 21, 2009, from http://agriharyana.nic.in/
- Directorate of Agriculture Haryana, Government of Haryana, Panchkula. Retrieved August 20, 2009 from http://agriharyana.nic.in.