

## The Changing Perspectives of Agricultural Marketing in India

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### ABSTRACT

*Agricultural Marketing helps in meeting the demand and expectation of the consumers. Agricultural marketing plays important role in the Indian economy and it engaged 65 per cent of the workforce in the country. The primary, secondary and terminal market functions are the three main marketing functions or it is three stages of the agricultural marketing. This paper is based on secondary data information which is collected from a different source of information like various Journal research paper, annual reports on agricultural marketing in India. To highlight the new initiatives taken by the government and major reform of new trends in the agriculture marketing is the main objectives of the paper. The demand for the food commodities is increasing in the country. The projected demand of the food commodities during the year 2020-21 (estimated) compare with food commodities demanded in the year 2016-17. Seeds, machinery, farm implements, pesticides, insecticides, and fertilizers are an important input for agriculture and modern agriculture. The transfer of ownership, physical movement and facilitating of the product is the major functions agricultural marketing, Agricultural Produce Market Committee act introduce by the state government for the regulation of the Mandi. APMC act also facilitates the contract farming in the country, infrastructure development and it encourages public-private partnership in marketing yard. Agriculture marketing reform and integration of the agriculture market is some new avenue like e-NAM (electronic- National Agriculture Market) in the country will come major reform in the agriculture marketing. State wise 498 APMC integrated with the electronic national market in the country. The highest number of Mandi are linked with e-NAM in Uttar Pradesh followed by Gujarat and Madhya Pradesh.*

**Key word:** Agricultural Marketing, Reform, National Agriculture Market

### INTRODUCTION

Agricultural marketing plays important role in moving products from producer to consumers. The food production in India increasing tremendously. Agriculture plays a pivotal role in the Indian economy and it contributes nearly 14 percent to the country's GDP (Gross Domestic Product) and provides important raw

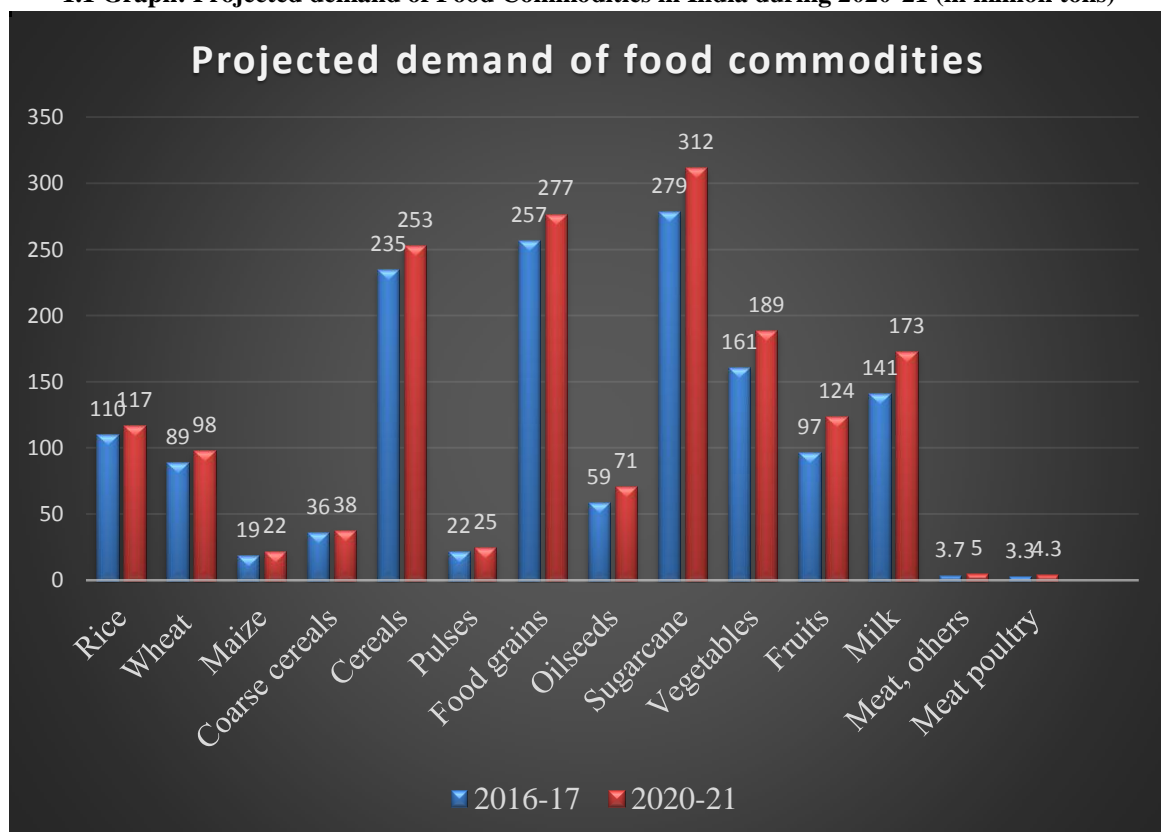
material to the industry. The main source of raw material to agro-industry is agriculture and these raw materials come from rural areas of the country. Agriculture marketing helps in meeting the demand and expectation of the consumers. It helps in raising income and improving the living standard of the rural people.

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The agricultural marketing supports the growth of the economy as a whole apart from the food and nutrition needs of the country<sup>1</sup>. Agricultural marketing consists of moving an agricultural product from the farm to consumers. It involves various activities, transportation, storage, processing, distribution etc. It employs 65 percent of the workforce in the country<sup>10</sup>. Agricultural marketing has divided under the 3 market stages are primary marketing function, secondary marketing function, and terminal marketing function. Primary market function involves the farmer's or producer, cultivator, and merchants. The secondary market functionary involves the processing agent and third terminal market function consist both primary and secondary function involve shipping agents for shipping of the goods<sup>9</sup>. Through the marketing activities, consumers get maximum welfare.

The consumer needs and desires are satisfied. In agricultural marketing, input marketing is growing at an increasing rate. The importance of seeds, machinery, farm implements, pesticides, insecticides, and fertilizers are an important input for agriculture and modern agriculture is searching for new technologies. Thus the scope of agricultural marketing is increasing and it helps to increase production by ensuring timely agricultural input to the farmers. The food gain and horticultural production increasing in the country and for the marketing of the produce especially cold storage is required in case of perishable product for the transport the produce from one place to another place. The projected demand of the food commodities during the year 2020-21 (estimated) compare with food commodities demanded in the year 2016-17 in the graph below.

1.1 Graph: Projected demand of Food Commodities in India during 2020-21 (in million tons)



Source: Indiatat, <https://www.indiatat.com/table/agriculture-data/2/agricultural-marketing/14278/996183/data.aspx>

### 1.12 Marketing functions

Marketing consist of the transfer of ownership of the products from the farmers/ producers to

the consumers. The following functions of marketing classified below-

(1) Function of transfer of Ownership	(a) Selling
	(b) Buying
	(c) Demand creation and
	(d) Price determination
(2) Function of Physical Movement	(a) Transportation and
	(b) Storage
	(c) Function of changing the form of the product
	(a) Standardization and grading
	(b) Packaging
(3) Facilitating Function	(a) Market financing
	(b) Risk bearing and
	(c) Market information

Source: Reddy *et.al.*,

## MATERIAL AND METHODS

This paper is based on the secondary data information which is collected from different secondary source of information like various published research papers, websites, published annual reports on agricultural marketing etc.

## RESULT AND DISCUSSION

### 3.1 Reforming Agricultural Market

Agricultural market reform is necessary for the improving the contribution of the agriculture sector to the GDP in the nation there is a need to link with international practices and quality and face the fiercely competitive globalized world. Storage facilities, logistics need to upgrade to improve the quality of produce and turnaround times of the transactions. To integrated agriculture market and reducing the cost of the transaction of the commodity, meeting buyers and seller and unified market licensing is the main areas of the agriculture market reform in the country<sup>11</sup>.

### 3.12 APMC Act

The Agriculture Produce Market Committee act introduce for the regulation of *Mandi* or agricultural market in the state. The particular market area decided by the authority and no person and agency are allowed freely to carry wholesaler and marketing activities. This committee board is established by the government of the state in the state. The regulation of the marketing practices, infrastructure development, and the special market for the perishable product, grade standard and single licensing fee as well

relaxation in licensing is some major initiative taken by the committee Farmers can sell their produce to agents or traders under the supervision of APMC<sup>7</sup>.

### 3.13 Market Integration

It includes integrating all the existing APMCs in the country to form a pan-Indian electronic market for farm produce. E-NAM aims to achieve this through a substantial licensing system for buyers without any prerequisites of having a physical presence or possession of a shop properties in an APMC; a single license being lawful for trading in the entire State, and a single point levy of tax for the first wholesale purchase from the farmer<sup>5</sup>. Market integration includes enabling farmer's access to markets, market infrastructure development and value addition is the major initiatives for the integration and reform of the agriculture marketing.

### 3.14 E-commerce in Agricultural Marketing

E-commerce states to the buying and selling of goods, and transmission of money on an online platform. The e-trading system enables producers, user organizations, electronic traders and prevailing traders to be accomplished to offer a product to the market and that a system would be in place that would allow buyers and sellers to broadcast buying needs and product requirements to one another<sup>3</sup>. The e-trading marketing helps with transparency in the system and also helps in reducing the cost incurred in the marketing. It also helps in a fair price to the farmers by eliminating the middleman.

### 3.15 New trends in Agricultural Marketing

Foreign Direct Investment (FDI) trade sector liberalization reducing tariff and non-tariff barriers opened up the new avenue and new dimension for agricultural marketing in the country. It opened up many opportunities for the agro-based product and raw material marketing and exports of the products. NSEL (National Spot Exchange limited) is a type of nationalized transparent electronic spot exchange it headquarters in Mumbai for solving many problems for agriculture producer<sup>12</sup>. The mobile phones deliver an effective channel for dissemination of market prices, agri-specific news and inputs and advisory. There are already several private sector initiatives that are successfully disseminating information to farmers on a daily basis. The efforts of Reuters Market Light (RML), IFFCO Kisan Sanchar etc<sup>6</sup>.

### 3.16 AGMARKNET

Presently, AGMARKNET covering more than 2900 markets all over India and showing of information for 400 agri-commodities on daily basis in 10 languages, connecting all-important Agriculture Produce Market Committee,

Marketing Channel and Public-private partnership initiated in India<sup>2</sup>. Besides that AGMARKNET many others Information and communication technology initiative like I-SHAKTI, a-AQUA, RURAL BAZAR, I-KISAN, Mahindra Kisan, e-KRISHI, Agribusiness centers, ITC e-choupals, and IFFCOe-portal etc. playing important role in the dissemination of daily price information and others marketing activities.

### 3.17 Contract Farming

Contract farming with the firm for the buying of the agricultural produce is initiative taken in the APMC model act for the minimization of the risk in the marketing of the agricultural produce. The firm contract an agreement for the buying of the farmers produce however some quality parameters also required as demanded by the firm. Pepsico is a good example of contract farming for tomato and potato in Punjab, SAB Miller for barley, and McCain for potato in Gujarat are some standard success stories that shaped a win-win for both the contracting company and the farmers<sup>4,8</sup>.

**Table 1: States wise number of wholesale regulated markets integrated with Electronic National Market (e-NAM) from (2016 to 2018)**

Particular State	No. of Market integrated
Uttar Pradesh	100
Gujarat	65
Madhya Pradesh	58
Haryana	54
Telangana	46
Maharashtra	45
Rajasthan	25
Andhra Pradesh	22
Himachal Pradesh	19
Jharkhand	19
Tamil Nadu	15
Chhattisgarh	14
Odisha	10
Uttarakhand	5
Punjab	1
<b>India</b>	<b>498</b>

Source: Indiatat.com

### CONCLUSION

Agricultural Marketing plays important role in the country however institutional development and infrastructural development for the agriculture marketing is still challenges and involvement of a large number of middlemen result as the low price of the product for the produce. Agriculture marketing reform and integration of the agriculture market is some new avenue like e-NAM (electronic- National Agriculture Market) in the country will come major reform in the agriculture marketing. State wise 498 APMC integrated with the electronic national market in the country. The highest number of *Mandi* are linked with e-NAM in Uttar Pradesh followed by Gujarat and Madhya Pradesh. APMC act also emphasizes the grading and cold storage for the good quality and perishable product. The AGMARKNET, I-SHAKTI, ITC e- choupal and IFFCO portal etc. are the new initiative and perspectives by Information and communication technology in better agricultural marketing in the country.

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