

# Problems and Prospects of Agricultural Marketing in India

## Abstract

Agriculture is a biological industry. This sector is the bed rock of India's economic activities. The contribution of agriculture in the growth of a nation is constituted by the growth of the products with in the sector itself and it is known as products contribution as well as the agriculture development permits the other sector to develop which is known as the market types contribution by buying goods produced in the other sector and selling it's own products in the national and international market. Approx 60 per cent of the total workforce is employed in agriculture sector. Marketing institutions are big business organizations which have come up to operate the marketing machinery. In addition to individuals, corporate, co-operative and government institutions are opening in the field of agriculture marketing.

**Keywords:** Agriculture, Agriculture Marketing, Problems, Agencies.

## Introduction

Agriculture is a biological industry. This sector is the bed rock of India's economic activities. The contribution of agriculture in the growth of a nation is constituted by the growth of the products with in the sector itself and it is known as products contribution as well as the agriculture development permits the other sector to develop which is known as the market types contribution by buying goods produced in the other sector and selling it's own products in the national and international market. Approx 60 per cent of the total workforce is employed in agriculture sector. The term agricultural marketing is composed of two words -agriculture and marketing. Agriculture, in the broadest sense means activities aimed at the use of natural resources for human welfare, and marketing connotes a series of activities involved in moving the goods from the point of production to the point of consumption.

Agriculture and allied sectors contribute nearly 22 per cent of Gross Domestic Product (GDP of India), while about 65-70 per cent of the population is dependent on agriculture for their livelihood. 60 per cent of the total workforce is employed in agriculture sector. Agriculture is still the largest economic sector and plays a significant role in the overall socio-economic development of India.

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## Marketing Institutions in India

Marketing institutions are big business organizations which have come up to operate the marketing machinery. In addition to individuals, corporate, co-operative and government institutions are opening in the field of agriculture marketing.

Some important institutions in the field of agriculture marketing are:

### Co-operatives

The co-operatives sector has been playing a significant role in the area of disbursing agriculture credit, providing marketing support to farmers, distribution of agriculture inputs, imparting co-operatives education and training. The co-operatives are helpful the farmers for increasing the production and productivity and instituting post harvest facility for augmenting their income.

### NAFED

The National agriculture co-operative marketing federation of India (NAFED) is an apex organization of marketing co-operatives in the country. It deals in procurement, processing, distribution, export and import of



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selected agriculture commodities. The NAFED is also the also central nodal agency for undertaking price support operations for pulses and oil seeds and market intervention operations for other agriculture commodities.

#### **Aim of the Study**

To find out the prospects of agriculture marketing and use it for the benefit of Indian former. To improve the growth of Indian economy.

#### **State Level Co-Operative**

At the state level there are apex co-operative marketing societies. At the state level institutions serve the state as a whole. Their members are both the primary co-operative marketing societies and the central co-operative unions of the state. The basic function of these is to co-ordinate the activities of the affiliated societies and conduct such activities as inter state trade export –import procurement, distribution of inputs and essential consumer goods, dissemination of market information and rendering expert advice on the marketing of agriculture produce.

#### **District Level Co-Operative**

At the district level, there are central co-operative marketing unions of federations. Their main job is to market the produce brought for sale by the primary co-operative marketing societies of the area. These are located in the secondary wholesale markets and generally offer a better price for the produce.

#### **State Agriculture Marketing Board**

With increasing role of the agricultural in the economic development of the state and the increasing activity of marketing regulation. State agricultural marketing boards were set up in 18 states and 1 union territory. These State Agriculture marketing boards look after the regulation of markets and bring about an effective level of co ordination in the functioning of the regulated markets at the state level.

#### **Prospects of Agriculture Marketing**

#### **Existence of Competitive conditions**

The existence of competitive conditions and the desire to maximize profits are the main forces which induce firms to operate efficiently. The features of competitive conditions in the Indian food grains market are :Market structure, Market behavior and Market performance.

#### **Existence of Various Marketing Agencies**

There are many agencies of marketing working as institutional and non institutional. Main institutional agencies are UPSS,CWS,FCI and UPFSS etc.

#### **Low Wages**

The marketing system is labour intensive and the wages rates of labour are lower in India than those in developed countries. The performance cost of market operations is, therefore, low in India.

#### **Low Marketing Cost**

Consumers Income in India is low. They do not, therefore, prefer the processed form of the products and other market service. As a result, the marketing costs in India are low.

#### **Problems of Agriculture Marketing**

The problems of agriculture marketing are as follows ;

#### **Market Arrivals**

With increased market arrivals, and in order to enforce strictly market regulations, it is necessary that a large number of market yards should be developed in rural areas with all the necessary marketing facilities. Without spacious market yards, it is not possible to centralize and effectively supervise the transactions taking place in this area.

#### **Price Instability**

The increasing instability in prices adversely affect the income of farmers as well as the tempo of the green revaluation. There is, therefore, a need for reducing price instability.

#### **Market Intelligence**

Market intelligence is another problem that has emerged and is an important adjunct of orderly marketing. With the increased market surplus and opening up of trade, the importance of market intelligence has increased.

#### **Problem of Grading**

The grading of agriculture commodities is essential for farmer to earn more profits. But this facility is not available in every area of the country.

#### **Problem of Transportation**

Transportation plays an important role in the marketing of agriculture commodities. In India proper transportation facility is not available. Most of villages are not connected with the highway.

#### **Infiltration**

A common problem faced in the farmer's markets or the direct market systems is the infiltration of the traders or intermediaries in the guise of farmers. Though identity cards have been introduced and there are periodical checks, the problem persists in many farmers markets. There is a need to curb this malpractice through proper monitoring and penalties.

#### **Other Problems**

There are several other problems in agriculture marketing are as follows:

1. Problem of packing
2. Problem of adequate finance
3. Problem of storage facility

#### **Conclusion**

Marketing is the crux of the whole food and agricultural problem in almost all developing countries. It would be useless to increase the agricultural production as well as productivity, unless means could be found to move the agricultural produce from the producers' field to the consumers' store room at a price which represents fair remuneration to the producers on the one side and the consumers' ability to pay on the other side. It is in this respect, that the agricultural marketing societies in India provide an organized forum for selling the agricultural produce of farmers at a fair price and also offer reliable and modern means to compete with the private enterprises which is better placed in terms of technological and financial resources. The role of the co operatives has progressively expanded in the field of agricultural marketing. Besides, there are many co-operative agro processing units that promise extra ordinary potential to boost the Indian Economy. Thus, the agricultural marketing and the agri-business co-operatives occupy an important place in the overall

strategy for agricultural development in India. Hence, the marketing co-operative societies are indispensable for the growth of agricultural community and the government must take all the necessary steps to revive them from their dormancy and thereby enable the agriculturists to get the maximum possible prices.

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