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**Problems and Suggestion to Improve of Agricultural Marketing in India****Mr. Bansode Satyawar Pundlik**Assistant Professor, Department of Economics,  
Chandrabai-Shantappa Shendure College,  
Hupari, Tal.Hatkanangle, Dist.Kolhapur.**1. Introduction :**

Marketing is the last link in the chain of production process. An efficient marketing system which ensures reasonable return to the producers is essential to induce them to produce more. Disposal of the produce after harvest and the return obtained have a significant effect on production and on the welfare of the cultivator. A major part of the commercial crops like cotton, jute, sugarcane and oilseeds has to be marketed immediately as the farmers are in need of cash for meeting their dues and other expenses. Sale of agricultural produce involves a number of functions such as assembling, storing, grading, standardizing, transporting and financing the produce and negotiating sale.

Without changing the marketing structure the number of middlemen and costs cannot be reduced. Efforts in this direction have been made in some states by organizing cooperative marketing societies, in spite of immense scope, has so far been slow. An Important component of the marketing system is the widespread network of regulated wholesale markets. These markets are generally located near on in a township and serve a number of surrounding villages. The farmers sell their produce to the commission agents with the help of brokers.

**2. Meaning of Agricultural Marketing :**

The term agricultural marketing implies selling of goods and services by the farmers and ranchers. In general, marketing is the performance or operation of various business activities, which direct the goods and services from the producers to the ultimate consumers. In agricultural marketing the starting point is the farm or ranch and it is the basic source of market supply. The marketing process begins at this point and continues up to the point of final consumption. Thus, through various functions of marketing, utilities are created to the commodities at each level of the marketing, involving marketing costs and margins to the middlemen.

**3. Definitions of Agricultural Marketing :**

**According to Thomsen,** "Agricultural marketing comprises all the operations and the agencies conducting them involved in the movement of farm produced foods, raw materials and their derivatives, such as textiles from the farms to the final consumer and effects of such operations on farmers, middlemen and consumers."

**According to Acharya & Agarwal,** "Agricultural marketing is the study of all activities, agencies and policies involved in the procurement of farm inputs by the farmers and the movement of agricultural products from the farmers to the consumers."

**4. Significance of Agricultural Marketing :**

All these trends in modern agricultural are increasing the scope of agricultural marketing from the point of view of product marketing and input marketing. Greater thrust in the policy areas is laid on the problems of marketing and finding solution to such problems through relevant

marketing facilities. Prices are determined based on the interaction of demand and supply for the commodities in the market. Thus marketing gives signals to increase production and thereby ensures the availability of goods and services. If the marketing activity is developed, demand for goods increases as a result production of goods also increases.

#### **5. Characteristics of Agricultural Commodities :**

- 5.1 Seasonality of Agricultural Production.
- 5.2 Perishability of the Product.
- 5.3 Bulkiness of Agricultural Products.
- 5.4 Quality of the Products.
- 5.5 Irregular supply of Agricultural Commodities.
- 5.6 Small size of Holdings and Scattered Production.
- 5.7 Inadequate Processing Facilities.

#### **6. Objectives :**

- 1) To explain the term of agricultural marketing.
- 2) To study the problems of agricultural marketing.
- 3) To suggest measures for improving of agricultural marketing.

#### **7. Data Collection :**

The analysis is mainly based on secondary sources of data. The secondary data will be collected from the various reports. Additional information will be also collected from the books, journals, Gov. publication, Library and internet etc.

#### **8. Problems in Agricultural Marketing :**

Let us know about the various marketing problems.

##### **A) Large Number of Middlemen :**

The field of agricultural marketing is viewed as a complex process and it involves a large number of intermediaries handling a variety of agricultural commodities, which are characterized by seasonality, bulkiness, perishability etc. The prevalence of these intermediaries varies with the commodities and the marketing channels of the products. Because of the intervention of many middlemen the producer's share in consumer's rupee is reduced.

##### **B) Small and Scattered Holdings :**

The agricultural holdings are very small and scattered as a result of which the marketable surplus generated is very meager. Moreover the farmers have no business awareness.

##### **C) Forced Sales :**

The financial obligations committed during production period force them to dispose the commodity immediately after the harvest though the prices are very low. Such forced sales or distress sales will keep the farmers in vicious cycle of poverty.

##### **D) Technological Development Problems in Farm Production :**

Evidence is that technological changes in performing certain farm operations brought in new problems in agricultural marketing. For example paddy harvesters are identified to increase the moisture problem in paddy, mechanical picking of cotton is associated with the problem of mixing trash with cotton, potato diggers are found to cause cuts to the potato,

sugarcane harvesters effect the problems of trash mix with the cane etc. These problems lead to the reduction of price for the farm products.

**E) Poor Handling and Packing :**

For efficient and orderly marketing of agricultural products, careful handling and suitable packing are required. Poor handling and packing expose the products to substantial physical damage and quality deterioration.

**F) Lack of Standardization and Grading :**

This poses a problem in assigning prices to the commodities as per the quality specifications. It is alleged that no proper relation exists between the price and quality of the agricultural commodities and this situation thwarts the farmers in getting a remunerative price in consistent with quality of the product.

**G) Inadequate Storage Capacity :**

Inadequate storage facilities are the causes of heavy losses to farmers in many parts of the world; and resulted in serious wastage of foodstuffs and increased costs to producers. There are no scientific storage facilities for perishable products (fruits, vegetables, milk, meat, fish etc.). In developing countries the losses from inadequate storage are estimated to be 15 to 20 per cent of the production levels of farm products.

**H) Malpractices in Markets :**

Manipulation of weights and measures is still prevalent in the unregulated marketing in spite of the introduction of uniform system of weights. Arbitrary deductions in the name of sampling are a common feature. The farmers are burdened in the form of forced deductions for religious and charitable purposes.

**I) Multiplicity of Market Charges :**

The farmers are forced to part with their income for various purposes. The expenses commence at the entry point of the market itself. The farmers have to contact commission agents or brokers to get in touch with the prospective buyer. Commission should be paid for their services.

**J) Lack of Market Information :**

The farmers do not know the information on the existing prices of the products in the important markets. By and large the farmers rely on the price information furnished by the traders. The price information provided generally is quite advantageous to the traders, rather than to the farmers.

**K) Inadequate Means of Transport :**

One of the pressing problems of agricultural marketing is the lack of adequate transport services at reasonable cost. Lack of transport services refer to absence of the transport service in important agricultural marketing areas, seasonality of transport service, high freight charges due to inadequacy, lack of all weather roads and transport vehicles, unsuitability of the existing transport facilities for the transportation of some products like fruits, vegetables, eggs, etc., from rural areas. About 50 per cent of the 5,76,000 villages in the country is not connected by motorable roads. katcha roads figure in many parts in rural India.

**L) Communication Problem :**

One of the key elements of efficient marketing system is the availability of proper communication infrastructure. Rural areas are inadequately placed with reference to posts,



telegraphs and telephones. The literacy rate being low among the farmers, it poses difficulty of the communication tasks.

#### **9. Suggestions to Improve Agricultural Marketing :**

**A) Establishment of Regulated Markets :** A regulated market is one which aims at the elimination of the unhealthy and unscrupulous practices, reducing marketing charges and providing facilities to producers. Later in 1927, the government of Bombay province enacted the Bombay cotton market act, which attempted to regulate the agricultural product markets with a view to evolving their market practices. Regulated markets were developed as an efficient marketing system to benefit the farmers. These regulated markets were established in different parts of the country with the same objective. No doubt regulated markets are providing services like standard weights, competitive bidding, competitive price, immediate payment, direct contact with the farmers.

**B) Standardization and Grading :** Standard specifications and grading should be designed to be useful to as many producers, traders and consumers as possible i.e., standards should reflect market needs and wants. One grade should have the same implications to producers, traders and consumers in the quality of the product. It must have mutually acceptable description. They should reflect commodity characteristics that all types of buyers recognize. The grading should be simple, clear and easily understood.

**C) Standard Weights and Measures :** Lack of uniform standards in weights and measures was a cause of concern as the traders took it to their advantage at the cost of the farmers. Government made an effort in this direction by passing the standard weights act in 1939, which however could not make significant impact. In 1963, the metric system of weights was introduced which is in operation all over the country uniformly in transactions.

**D) Improvement in Handling and Packing :** This refers to the adoption of new techniques for the physical handling of commodities throughout the various phases of marketing, for instance , the use of cold storage in handling perishables, new methods of packing, etc.

**E) Provision of Storage Facilities :** Reduction of physical damage and quality deterioration in the products can be brought about through the application of the scientific techniques and provision of appropriate storage facilities depending on the nature and characteristics of products and the climatic conditions of an area. In this regard the role of warehousing corporation in providing scientific storage facilities is discussed here.

**F) Improving Transport Facilities :** The availability of efficient transportation encourages the farmers to go to the markets of their option to derive the price benefits.

**G) Market Information :** As such we have newspapers, price bulletins, reports of the Government agencies, etc., which provide market information. This information would be much more useful if an educational programme is made available to analyze and interpret the information at the markets. The raw data no doubt provides valuable information but skilful interpretation makes it still useful to the farmers.

**H) Market Research :** Marketing research needs to be given top priority to improve up on the marketing system. Directorate of Marketing and Inspection has been conducting commodity surveys and publishing reports on the marketing aspects.

**I) Market Extension :** Directorate of Marketing and Inspection has an extension cell, which is involved in dissemination of needed information on marketing to producers. The farmers are

advised on consumer preference, grading, packaging, transport etc., in order to help them to secure better returns. Apart from DMI, regulated markets are also helping in the orderly marketing.

**J) Provision of Agricultural Marketing Training to the Farmers :** The Farmers need to be trained in product planning i.e., crops and varieties to be grown, preparation of produce for marketing, malpractices and rules and regulations, market information, promotion of group marketing etc.

**K) Co-operative Marketing :** Co-operative marketing is the organized sale of farm products on non-profit basis in the interests of the individual producer. Co-operative marketing societies are organized by the farmers themselves and the profits are distributed among the farmer members based on the quantity of the produce marketed by them.

**L) Provision of Cold Storage Facilities :** Cold storage is the most important for the proper marketing of horticultural produce, because it has a definite season of production and quality of the produce deteriorates quickly after harvest. It is therefore necessary that the marketing agencies and growers' co-operatives should be encouraged to set up cold storages in the producing areas. The available cold storage capacity in the country was 310.10 lakh tones.

**M) Reduction in Post-harvest Losses :** Notwithstanding the breakthrough in production, inadequate and unscientific post-harvest management of fruits and vegetables have led to an estimated post-harvest loss (20-40%) of about Rs. 30 billion per annum. All out efforts need to be made to prevent these losses. The expertise and technologies available with AFMA member countries should be shared effectively.

**N) Development of Physical Market :** Physical markets handling fruit and vegetables suffer from operation and management inadequacies. A country level plan to identify markets of national importance for fruits and vegetables and provision of need-based infrastructure from export point of view in all these markets is imperative.

**O) Refrigerated Transport :** Refrigerated for perishables needs to be provided during their movement in marketing channels. Besides road transport, railway wagons should also be suitably modified for transport of perishables.

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