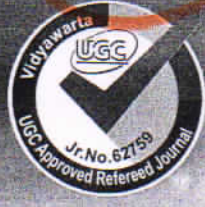


“ज्ञान, विज्ञान आणि सुसंस्कार यांसाठी शिक्षणप्रसार”
-शिक्षणमहर्षी डॉ.बापूजी साठुंबे



ISSN 2319 9318

आंतरराष्ट्रीय बहुभाषिक शोध पत्रिका

विद्यावार्ता
विशेषांक, सप्टें. २०१७



Shri Swami Vivekanand Shikshan Sanstha, Kolhapur's
Padmabhushan Dr.Vasatraodada Patil Mahavidyalaya,

Tasgaon, Tal: Tasgaon, Dist: Sangli 416312 (MS), India
Reaccredited with B**Grade by NAAC (Affiliated to Shivaji University, Kolhapur)

**INDIAN COUNCIL OF SOCIAL SCIENCE RESEARCH
(ICSSR)**

Sponsored One Day National Seminar
On

**Challenges before Indian
Economy in the Globalization Era**

Thursday, 28th September 2017

Executive Editor

Mr.K.N.Patil

Co-Editor

Dr.B.J.Kadam

Organizaed by

**Department of Economics (U.G. & P.G.)
Padmabhushan Dr.Vasatraodada Patil Mahavidyalaya,
Tasgaon, Tal: Tasgaon, Dist:Sangli**

www.vidyaawarta.co.in

40) Gender Discrimination in Higher Education: Challenges before Indian Economy Dr. Shivaji R. Pawar, Kasegaon	155
41) SKILL DEVELOPMENT IN UNORGANISED SECTOR : An area to be considered Mrs. Pournima Deepak Chavan (Udupi), Sangli	159
42) PRODUCTION AND PRODUCTIVITY OF SUGARCANE CROP IN INDIA WITH SPECIAL ... Mr. Rohit Dinkar Barsing, Kolhapur, Mr. Ajay Dagdu Kate, Vita	161
43) A STUDY OF MEASURE CROPS PRODUCTIVITY IN MAHARASHTRA Prof. Ahire I. B., Sangli, Miss. Shinde Varsha Tanaji, Kolhapur.	166
44) आर्थिक सुधारणा — परराष्ट्रीय व्यापार धोरण व, भारताचे आयात निर्यात बदल प्रा.डॉ. हासिम वलांडकर, वाळवा	171
45) शेतकऱ्यांच्या आत्महत्या — स्वरूप व उपाययोजना सौ. पाटील एन. एस., कोल्हापूर	174
46) वस्तू व सेवा कर (GST) : भारत प्रा. जालींदर आनंदराव यादव, तासगाव.	178
47) TRENDS OF AGRICULTURE PRODUCTION AND PRODUCTIVITY IN INDIA Aalam Gafur Shaikh, Raigad	182
48) AGRICULTURAL DISTRESS AND FARMERS SUICIDE Dr. Patil Bhagwan Shankar, Sangli	184
49) AGRICULTURAL MARKETING IN INDIA Dr. Sou. Parvati Bhagwan Patil, Kolhapur	188
50) Revenue and Expenditure Pattern in Services Provided by the Municipal councils Mrs. Vrushali Vishwasrao Patil, Islampur	194
51) Challenges before Indian Economy – SWOT Analysis Mrs. Shruti Shripad Parchure, Miraj	197
52) EVALUATION OF SHIKSHAN SEVAK SCHEME IN THE ERA OF GLOBALIZATION Mr. Vinodkumar Dhondiram Kumbhar, Sangli	200
53) Economic Reforms and Indian Economy Dr. A. A. Kulkarni, Kolhapur	202

parameswara Gupta, (2012), Farmer suicides in India. Trends and Issues Recommendations of NCEUS southern Economist, Vol.51 (4), pp.52-55.
S. P. Narasimha Rao, K.C suri (2006) Dimentions of Agrarian Distress in Andhra Pradesh Economics & political Weekly, April 22, 2006, pp1546- 1552.



AGRICULTURAL MARKETING IN INDIA

Dr. Sou. Parvati Bhagwan Patil
Principal, Chandrabai Shantappa
Shindore College, Hupri, Kolhapur

INTRODUCTION

India is an agricultural country and one third population depends on the agricultural sector directly or indirectly. Agriculture remains as the main stay of the Indian economy since times immemorial. Indian agriculture contribution to the national gross domestic product (GDP) is about 25 per cent. With food being the crowning need of mankind, much emphasis has been on commercialising agricultural production. For this reason, adequate production and even distribution of food has of late become a high priority global concern.

Today's agricultural marketing has to undergo a series of exchanges or transfers from one person to another before it reaches the consumer. There are three marketing functions involved in this, i.e., assembling, preparation for consumption and distribution. Selling on any agricultural produce depends on some couple of factors like the demand of the product at that time, availability of storage etc. The products may be sold directly in the market or it may be stored locally for the time being. Moreover, it may be sold as it is gathered from the field or it may be cleaned, graded and processed by the farmer or the merchant of the village. Sometime processing is done because consumers want it, or sometimes to conserve the quality of that product. The task of distribution system is to match the supply with the existing demand by whole selling and retailing in various points of

different markets like primary, secondary or terminal markets. Most of the agricultural products in India are sold by farmers in the private sector to moneylenders (to whom the farmer may be indebted) or to village traders. Under the Agricultural Produce (grading and marketing) Act of 1937, more than forty primary commodities are compulsorily graded for export and voluntarily graded for internal consumption. Although the regulation of commodity markets is a function of state government, the directorate of marketing and inspection provides marketing and inspection services and financial aid down to the village level to help set up commodity grading centers in selected markets.

OBJECTIVES:

1. To study the main activity agricultural marketing in India.
2. To study the framework around agricultural marketing in India.
3. To study the present stage in agricultural marketing in India.

RESEARCH METHODOLOGY:

The Study is based on secondary data. The data is collected from various census report of the government of India, report of national sample survey, various books, journals reports, published various authors, commissions.

The Main Activities of Agricultural Marketing in India:

1. Establishment and maintenance of Uzhavar Sandhaigal for the benefit of farmers as well as consumers.
2. To create marketing opportunities for small and marginal farmers in cultivation of fruits, vegetables and flowers by formation of groups which includes production, storing and export.
3. Establishment and maintenance of regulated markets in order to facilitate buying and selling of agricultural produce for the benefit of the farming community.
4. Grading of agricultural produce in the

regulated markets and at farm holdings to help the producers to get remunerative price for their produce.

5. To create awareness among the farmers about the benefits of grading, marketing, value addition and processing their produce through regulated markets by taking up training, publicity and propaganda.

6. To set up Agriculture Export Zones for promoting export of agricultural produce by increasing the area under exportable crops, providing necessary post harvest management and other infrastructure required and information on prices prevailing at international markets as an integrated approach through computers.

7. To take up Agmark grading of agricultural, animal husbandry and forestry products for the benefit of the consumers.

8. To set up modern cold storage facilities to enable the farmers to store and sell their produce at favourable price and to help consumers to get quality food products.

9. Food Processing Industries are promoted to minimise wastage of agricultural products, to increase employment opportunities and to enhance foreign exchange.

Framework around agriculture Marketing in India:

i. Need for efficient agricultural marketing

Long ago, India agriculture was subsistence farming. With the development of means of transport and storage facilities, agriculture became commercial in character and the peasants grew those crops which fetch them better prices.

Thus, the cropping pattern is no longer dictated by what a farmer needs for his own personal consumption but what is responsive to the market in terms of prices received by him. Further, the trade is organized but farmers are not conversant with the complexities of the marketing system. A farmer is handicapped by

several disabilities as a seller and is forced to sell his produce at an unfavourable place, time and price. Due to all these there is a need of an efficient agricultural marketing system.

ii. Efficient marketing system

Agricultural products differ in nature and contents from industrial goods in the following respects. They are bulky and voluminous in comparison to industrial goods. They need special storage facilities because most of them are perishable goods. Many goods are seasonal, available in particular period only. The farm goods are produced on a large geographical area, their collection poses a serious challenge. Assorting and grading is difficult in case of farm produce. The farmers are generally cash stripped or debt burdened, so have to dispose off produce as early as possible.

Both demand and supply of agriculture produce are inelastic. This means that if there is a bumper crop, it will spell disaster on farmer and if there is deficit crop, he is unable to take the advantage. The advantage passes on to middlemen. Thus, the objectives of the efficient marketing system should be: To enable farmers to get the best possible returns, To provide facilities for selling the produce at an incentive price, To reduce the price difference between the primary producer and ultimate consumer. To make available all products of farm origin to consumers at reasonable price and within reasonable time.

iii. Facilities are needed for efficient agricultural marketing.

The following basic facilities are required by a farmer. Proper storing facilities. Holding capacity – to wait till best prices are fetched. Adequate and cheap transport facilities so that he is able to reach Mandirather than disposing it off at his village only. Clear and timely information about the market prices so that he is not cheated. Organized and regulated markets so that he is not ripped off by Dalals and Adhtiyas. As small as possible number of

intermediaries.

iv. Problems with Current Agricultural Marketing System

Various problems in the agricultural marketing system in India are discussed below. Improper storage facilities. No proper warehousing facilities in villages. The farmers are forced to store the produce in mud-vessels or katcha storehouses. Result of this unscientific storage is either wastage or hastily disposing off the produce. Remedy for this problem is establishment of Rural Godowns and warehouses. To some extent, setting up of Central Warehousing Corporation and State Warehousing Corporation has improved the situation. Lack of grading and standardization. There is no proper grading and standardization of farm produce. This leads to Dhara (heap) sales in which all qualities of produce are sold in one common lot. Farmer is unable to get better price for better produce and this implies that there are no incentives to use better farm inputs and produce better varieties. Thus the farmer producing better qualities is not assured of a better price. Hence there is no incentive to use better seeds and produce better varieties. Inadequate transport facilities: There are highly inadequate transport facilities because only a small number of villages are joined by railways and pucca roads to mandies. The result is that farmers carry their produce to Mandi on either bullock carts or other such means. The produce, which is perishable, has to be dumped to nearby market at considerably low market prices.

Large chain of middlemen There is a large chain of middlemen in the agricultural marketing which drastically reduces the share of cultivator. This chain includes village traders, Kutcha Adhtiyas, Pukka Adhtiyas, Brokers, wholesalers, retailers etc.

Inadequate Farm Credit:

The farmer needs to sell off the produce immediately after the crop is harvested though prices at that time are very low. He can be saved

from this "forced sales" if credit facilities are available from the banks.

Current System of Agricultural Marketing:

There are four major systems of agricultural marketing in India at present. They are as follows.

Direct sale to moneylenders and traders:

Majority of the produce is sold by the farmers to the village traders and money lenders. The moneylenders then work as agent of the wholesalers.

Village Haats:

A Haat is village market that covers an area of 5-10 miles. They are held weekly and here, the agents of wholesalers and different brokers visit to buy the produce. The Haats are poorly equipped and lack storage, drainage and other facilities. Smaller and marginal farmers generally sell in these haats.

Mandi :

A Mandi is a wholesale market, which serves a number of villages and is generally located in a city. The business here is carried out by the Adhtiyas. Adhtiyas buy from farmers via middlemen and then sell it to wholesalers who sell it to retailers. The system is different in case of sugar, paddy and cotton though. The Mandis are regulated by APMC acts of various states. There are various problems with them, about which you can read here.

Co-operative marketing :

Such societies are formed by farmers to take advantage of collective bargaining. A marketing society collects surplus from its members and sell it in the Mandi collectively. This improves the bargaining power of the members and they are able to obtain a better price for the produce. In addition to the sale of produce, these societies also serve the members in a number of other ways.

Present State of Agricultural Marketing in India:

In India four different systems of agricultural marketing are prevalent:

1. Sale in Villages:

The first method open to the farmers in India is to sell away their surplus produce to the village moneylenders and traders at a very low price. The moneylender and traders may buy independently or work as an agent of a big merchant of the nearby mandi. In India more than 50 per cent of the agricultural produce are sold in these village markets in the absence of organized markets.

2. Sale in Markets:

The second method of disposing surplus of the Indian farmers is to sell their produce in the weekly village markets popularly known as 'hat' or in annual fairs.

3. Sale in Mandis:

The third form of agricultural marketing in India is to sell the surplus produce through mandis located in various small and large towns. There are nearly 1700 mandis which are spread all over the country. As these mandis are located in a distant place, thus the farmers will have to carry their produce to the mandi and sell those produce to the wholesalers with the help of brokers or 'dalals'. These wholesalers or mahajans again sell those farm produce to the mills and factories and to the retailers who in turn sell these goods to the consumers directly in the retail markets.

4. Co-operative Marketing:

The fourth form of marketing is the co-operative marketing where marketing societies are formed by farmers to sell the output collectively to take the advantage of collective bargaining for obtaining a better price.

Defects of Agricultural Marketing In India:

Following are some of the main defects of the agricultural marketing in India:

1. Lack of Storage Facility:

There is no proper storage or warehousing facilities for farmers in the villages where they can store their agriculture produce. Every year 15 to 30 per cent of the agricultural produce are damaged either by rats or rains due