

An Introduction to Agricultural Marketing Scenario in India

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Agricultural marketing includes all those goods and services which are helpful in taking Agricultural produce from the farm to the consumer. Agricultural marketing includes storage, processing and marketing of horticulture and other agricultural products as well as distribution of machines used in agriculture and movement of agricultural commodities at the national and international level. Agricultural marketing is the process by which farmers earn profit from agricultural production by selling agricultural produce to buyers. Agriculture plays a major role in the economy of every country.

Introduction

India is an agriculture-oriented country. About 58% of the population here depends directly or indirectly on agriculture. The main sources of income of farmers are agricultural products and animal husbandry. Most of the workers get employment in the agricultural sector. Agricultural marketing provided technical assistance for increasing agricultural production and encouraging cooperative marketing also comes under the activities of agricultural marketing. The end-to-end activities involved in agricultural marketing (such as processing, grading, packing, transportation, storage, distribution and selling) play a vital role in the economy of every country.



Fig. 1. Fruit and Vegetable Market



Fig. 2. Grain Market

In the last few years, there has been an increase in the yield of potato, wheat, rice, sugarcane, oilseeds, pulses and other cash crops, due to which agriculture has played an important role in the Indian economy and has maintained the reputation of the agricultural sector in the world. India ranks first in the world in the production of milk, mango, banana, coconut, tea, cashew, jute and spices. India ranks second in the world in the production of wheat, rice, oilseeds, silk, cotton, sugarcane, fruits and vegetables and third in the world in tobacco production.

Objectives of Agricultural Marketing

There are mainly three objectives of agricultural marketing –

- a) **For the producer:** - The main objective of agricultural marketing for the producer (farmers) is to get maximum profit by selling it in the market.
- b) **For the consumer:** - For an efficient marketing system, it is necessary that the consumer's essential commodities (cereals, oilseeds, pulses and cash crops etc.) are available at a price suitable to his purchasing capacity.
- c) **For intermediaries (middlemen):** - The main objective of intermediaries in marketing is to obtain maximum profit through their services and works.

Importance of Agriculture Marketing

- a) An efficient agricultural marketing system leads to optimization of resource use and production management.
- b) The marketing system expands the market of products by moving the products within the country and to outside areas.
- c) An efficient marketing system ensures a high level of income for farmers and sellers.

Drawbacks of Agricultural Marketing

- a) **Presence of middlemen in the market:** - Disadvantages of agricultural marketing Presence of middlemen in the market It is very important to have middlemen between farmers and consumers in the agricultural market, but in today's time the number of middlemen between farmers and consumers is more than required, due to which the price of agricultural products increases considerably by the time they reach the consumers and farmers get very less price as compared to the price paid by the consumers in the market.
- b) **Lack of basic facilities for agricultural marketing:** - Even today, many villages lack basic facilities like transportation, warehousing etc. and have many shortcomings. Most of the roads in India are unpaved on which motor transport cannot easily pass due to which there is increase in prices of commodities.
- c) **Decrease in profits:** - In any market system, it is mandatory to take services from middlemen but today the situation is such that they are earning more profit than their services which is completely wrong. Through research, it has been found that only 45% to 50% of the total money spent by the customer reaches the farmers and the remaining 50% to 55% goes to the middlemen.
- d) **Shortcoming in agricultural market pricing policy:** - There are many shortcomings in the system of determining the price of produce in the agricultural market. Even today, agricultural produce is not auctioned properly in the market. In many markets, traders collude among themselves to determine the prices of agricultural products, due to which farmers are not able to get fair prices for their products.

Measures to Improve the Agricultural Marketing System

There are mainly two measures as follows-

- a) The government should make arrangements to provide loans to farmers at cheap rates through banks so that farmers can get rid of moneylender's debt.
- b) There should be adequate arrangements for means of transportation so that farmers can easily transport their crops to the market and get maximum profit.

Some Important Institutions Associated with Agricultural Marketing

- a) World Trade Organization (WTO)
- b) National Agricultural Cooperative Marketing Federation of India (NAFED)
- c) Food Corporation of India (FCI)
- d) Agricultural and Processed Food Products Export Development Authority (APEDA)

e) State Agricultural Market Board

Conclusion

Agricultural marketing helps in the development of agro-based industries and leads the overall development process of the economy. It facilitates farmers to plan agricultural production according to the needs of the economy and helps in increasing national income by creating employment.

References

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