

Development Of Agriculture Marketing And Opportunities In Rural Area

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Abstract

The present study is undertaken the context of agriculture marketing sector and intends to sustainable future for development of Agriculture Marketing. The paper focuses on marketing of agriculture and has three main objectives to move forward with this. 1. To have an overview of the agricultural marketing present in rural area. 2. To identify development of Agriculture Marketing and its Sustainable Future in Rural Area. 3. To comprehend the opportunity of Agriculture Marketing in Rural Area. The present paper discusses existing agricultural marketing practise, its development and draw backs and suggest the new marketing opportunities. The research depends upon content analysis which is based on the secondary sources of information. In this research paper we discuss about its reach and establishment in rural areas and how this Agriculture Marketing can play an important role in rural development. The study demonstrates that Agriculture Marketing can become instrumental in rural development.

The role of adequate infrastructure for accelerated growth of the agricultural marketing and in turn of the entire economy especially to the rural economy has great importance in recent years. Findings of the analysis identify challenges and opportunity for rural area in agriculture marketing. Implementation of various policies and initiatives taken by government is improves situation and help to develop the situation. From this study it can be concluded the facts that rural participation in agriculture marketing is have to increase with time and rural people can now acknowledged their status and sustain it in agriculture marketing. Agricultural sector plays a vital role in the progress of economic development of country. Agricultural has already made a significant contribution to the economic prosperity. On the economic side there are many challenges, related to the Agricultural marketing for this more focus need to be on enhancing marketing opportunities in Rural Area for inclusiveness and ensuring that the benefits for the Agricultural sector.

Key words: Agriculture Marketing, Economic Development, Sustainability, Rural area.

Introduction

Agricultural marketing is viewed as a process of encompassing all the steps involved from the producers to the consumers, which includes pre and post-harvest operations. Post-harvest operations such operation adds value to produce in veracious terms like time, place and farm utilities of production. Agricultural marketing has increased importance after launching new economic policy and opening up of India's market to world market. In these days there has been great concern regarding efficiency of marketing of agriculture produces in India and it is believed that poor linkages in the marketing channels and poor marketing

infrastructure are leading to, high and fluctuating consumer prices of agriculture produce and it affect that only small proportion of the consumer rupee reaching the farmers.

Agricultural marketing comprise of two major concepts which are, “agriculture” and “marketing”. The first concept agriculture aims at producing the agro food products with the use of natural factors for the welfare of human and basically it fully depends on natural processing. The second concept “marketing” refers to the activities that are done by the business organizations for promote their products and services to their customers, basically in marketing the targeted customers can be attracted and maintained by creating strong customer values in the organization. It is possible through better customer service and satisfaction, effective market survey, customer focus, continuous follow up and market trending.

The concept of “agricultural marketing” includes many activities starts from the production process till its retailing to consumers. The activities involved in agricultural marketing are production planning, cropping and harvesting, warehousing, grading, transportation and final step is distribution.

There are varieties of agricultural products which are produced with dual purpose which are for domestic consumption purpose as well as exporting purpose. In the chain of agricultural marketing connecting links such as farmers, suppliers, functionaries, importers-exporters, external beneficiaries and customers are also involved.

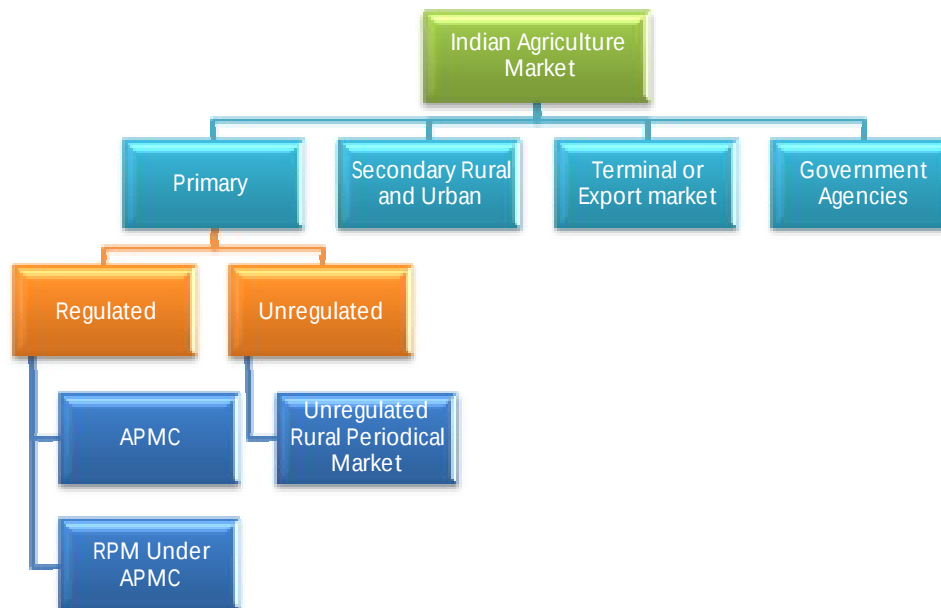
India has been a successful Country in Asian continent and India is 7th largest country in terms of overall area and 2nd largest country in the term of population. India is the sixth largest economy in the world and ranks third in GDP in terms of purchasing power parity. India's GDP is still now a days highly dependent on Agriculture around 17 per cent. Agricultural sector plays an important role in the progress of economic development of a country. More than 60 per cent of Indian population live in rural areas and directly, indirectly depends, agriculture for their livelihood. Agriculture has already made a significant contribution to the economic prosperity and Agriculture have vital role in the economic developed of country. But, on the economic side there are many Challenges faced by, related to the Agricultural production and market for this Agricultural products, there is need to have more focus on to be enhancing inclusiveness and ensuring that the benefits for the Agricultural Markets.

Definition of Agricultural Marketing

According to the, “National Commission on Agriculture (XII Report, 1976)”, “Agricultural marketing is a process which starts with a decision to produce a saleable farm commodity and, it involves all the aspects of market structure or system, both functional and institutional based on technical and economic considerations and, includes pre-and post-harvest operations, assembling, grading, storage, transportation and distribution”.

Functionaries in Agricultural Marketing

Functionary's involvement in agricultural marketing has categorized under following market stages-

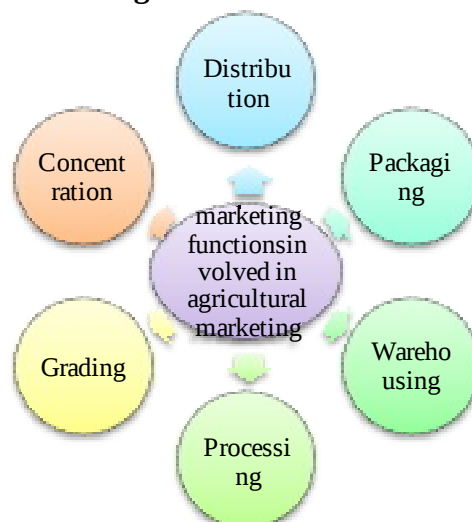


Primary market functionaries- The producer/farmer/cultivator, pre-harvest contractor, and itinerant merchant transport agents.

Secondary market functionaries- Financial agents and processing agents are involved in secondary market, in addition to primary market functionaries.

Terminal or Export market functionaries- In addition to primary and secondary market functionaries' commercial analyst and, shipping agents are also involved in this terminal market stage.

Functions of Agricultural Marketing



The major marketing functions which are basically involved in agricultural marketing are-

Concentration-The foremost function to be performed in agricultural marketing is to collect the agro produce and ready to sale in a central place for economic buying purpose.

Grading of Agro Produce-Grading of Agro Produce is the process of segregating the huge amount of produce in the different categories. This produce segregation is on the basis of variety, quality and size etc. This help to establish standards for those produce.

Processing-Processing is the stage where the farm products are transformed into consumable products, i. e. paddy into rice processing.

Warehousing-It is storing the products from production till its final consumption, this helps to preserve the products from spoiling and contamination.

Packaging- Packaging of products is another essential function for the easy handling of the produce and it also preventing it from deterioration and attracts customers.

Distribution-This is the last function performed in marketing, distribution of products from the place of warehouse to retail outlet for final consumption of consumers.

Review of Literature

M. Roy, (2012), this research have focuses on new challenges in agricultural marketing in the new emerging environment. A micro level survey of this study is shown that in the agricultural marketing sector reveals that, the urgent need is a move which seen like to boost the investment climates in the agricultural marketing which has very significant implications in Indian economic development of agricultural economy.

Kiran Sankar Chakraborty, (2009), Agricultural land constitutes only a small portion due to the undulating topography, it becomes imperative that yield per hectare should be increased by all possible means. If the productivity is increased, there is simultaneous need for developing market center's where the farmers can sell their surplus produce against a fair price and also purchases their daily requirements at a reasonable price. Market is essential for an overall development, but unless the various problems of market and marketing in the state are not properly identified and tackled effectively then it is very difficult to think in terms of development of rural area. The question is whether the price leaves the rural farmers enough margins to encourage them to produce more. Adequate and effective marketing facilities in the rural areas may only be the appropriate answer.

Brithal, et.al., (2007), in this report author says farmers can be rewarded with not only better prices building efficient but also effective supply chain management system, and by providing the population with value added services. The study find out that the major sources of agricultural market information to the larger set of farmers in the area were Radio and newspapers, and along with commission agents being the centre of information for all categories of farmers at market the level. It also shows that few large farmers also get information from sources like television and internet. There are also other sources for collecting information at the village level were friends, neighbours and relatives. It reveals that farmers were not much dependent on the market sources like notice boards and announcements. Similarly, results have shown that the formal agencies like SHGs, Co-operative societies and Gram Panchayats at village level, and market intelligence cell and, regulated markets at market level in India did not form the major sources of market information to the farmers.

Easwaran R. Salvadi, Ramasundaram P, (2008), this study is an investigation into "The futures markets in agricultural commodities" in India. The statistical analysis of collected data on prices in a sample of four agricultural commodities traded in futures exchanges and this have indicated that price discovery that it does not occur in agricultural commodity futures market. The econometric analysis of the relationship between the variables such as price return, volume and market depth and volatility has shown that the market volume and

depth these two are not significantly influenced by the return and volatility of futures and spot markets.

Objectives of the Study:

1. To have an overview of the agricultural marketing present in rural area.
2. To identify development of Agriculture Marketing and its Sustainable Future in Rural Area.
3. To comprehend the opportunity of Agriculture Marketing in Rural Area.

Research Methodology

Data collection: The present study depends upon content analysis which is based on the secondary sources of information. Secondary source of data collection is used for the research and analysis such as various Research journals, Book, Report, Articles, reports and online resources etc.

Definitions of Agriculture Marketing

Agricultural marketing includes the activities like planning, production, and harvesting, grading, storage; processing, promoting, packing, and selling these all work is involved in agricultural products prepare it for from the consumer.

The National Commission on Agriculture defined agricultural marketing as, “process that starts with a decision to produce saleable farm products that also includes pre and post-harvest operations, grading, storage, assembling, transportation and distribution”. Depending on this agricultural market classified as primary, secondary and terminal or export market. There are other various channels in these markets like co-operative channel, government channel, and private channel.

In older days selling of agricultural produce was very easy, either it was a direct selling or to a barter. But the fact was it is not marketing but it was considered as only selling. But now day's commission agents, presence of middlemen and latest technologies have made agricultural marketing more challenging and difficult to tackle. In this type of agricultural marketing there are some risks involved. The Pricing of agricultural products depends upon seasonality and perishability of product, and it also depends upon the demand and supply the product.

Rural Marketing: Rural marketing is two-way marketing process, there is inflow of products into rural markets for production or for consumption and there is also outflow of products to urban areas. The urban to rural flow consists of agricultural inputs, consumer goods such as cosmetics textiles and so on. The rural to urban flow consists of agricultural produce such as sugar, rice, wheat, fruit, cotton and flower and there is also a movement of products from rural areas within rural areas for consumption.

Opportunities of Agriculture marketing in rural area

The Government of India has planned and taken various initiatives for provide and improve the infrastructure in rural areas and it has multiplier effect on services, and goods, and thereby improves earnings potential of rural areas.

To promote agriculture-based businesses, the Govt. of India started A Scheme for Promotion of Innovation, Rural Industry and Entrepreneurship (ASPIRE). In this scheme a network of technology and incubation centres would be set up for accelerate the rate of entrepreneurship and for promote start-ups for innovation and entrepreneurship in agro-industry in rural area. The rural market has been growing gradually in the past few years.

The Govt. of India wanted to promote innovation and technology development in the remote rural and tribal areas in the country and the Govt. plans to form a committee for study various innovations, and submit their reports to the concerned Department.

There are also Banks are working to set up rural ATMs, which will help to dispense smaller denomination currency notes. Banks have to encourage finding a solution for bringing in rural ATMs.

Need for Agriculture Marketing in Rural Areas

There is need of growth of rural industries is become essential in a developing country like India-

- Agriculture Marketing in Rural Area generates large-scale employment opportunities in the rural sector as most of the Agriculture industries are labour intensive.
- Rural Agriculture Marketing facilitates the development of roads, drinking water, street lighting, in the rural area due to their accessibility to the main agriculture market.
- Agriculture Marketing in Rural Areas is capable of checking rural-urban migration by developing more and more rural industries and Marketing them in rural area.
- Agriculture Marketing in Rural Areas can help to reduce poverty, and creates an avenue for rural educated youth for their career.
- Rural entrepreneurship help to improve the per capital income of rural population there by it can reduces the gaps between income of rural and urban people.

Economic Development

According to the Department of Industrial Policy and Promotion (DIPP), Indian agricultural services and agricultural machinery sectors these two sectors are cumulatively attracted Foreign Direct Investment. Govt. of India, in its Budget 2017-18 planned several steps for the sustainable development of agriculture sector, in this total allocation for rural area, agricultural and allied sectors for financial year 2017-18 has been increased by 24 % year-on-year to Rs. 1,87,223 crore. The govt. plans to set up a dairy processing fund of Rs. 8,000 crore over three years with Rs 2,000 crore. An additional incentive of 3 % is provided to farmers for repayment of loans within due date, and also making an effective interest rate for them.

There are some of the recent major government initiatives in the sector with an aim to boost innovation and entrepreneurship in agriculture in rural area, the Govt. of India is introducing a new “AGRI-UDAAN” programme to mentor start-ups and also to enable them to connect with potential investors in this fields. The Govt. of India has launched plans to triple the capacity of food processing sector in India from the current 10 % of agriculture produce and has also committed Rs 6,000 crore as investments for mega food parks in overall

the country. The Union Cabinet Govt. of India, approves a new platform for selling agricultural produce has been launched by the Govt. of India. The NITI Aayog has proposed various reforms in India's agriculture sector, regarding direct purchase from farmers by private players, liberal contract farming, and direct sale by farmers to consumers, and single trader license in order to double rural income in the next five years. The Ministry of Agriculture, Govt. of India, has been conducting various consultations and seeking suggestions from numerous stakeholders in agriculture sector to plan a strategy to double the income by 2022 of farmers.

Agriculture marketing and sustainable future in rural area

Agriculture marketing in rural area leads to suitable future for the rural area and provide stable income source for farmers as well as for the workable population in rural area. "Sustainable agriculture" is a phrase which has been around for decades now; well however it has recently been receiving increased emphasis by organizations, businesses, and political leaders. Agriculture marketing in rural area will enhance environmental quality and the natural resource base upon which the agriculture economy depends and also helps to make the most efficient use of non-renewable resources and on-farm resources, when appropriate, natural biological cycles and control. It also has effect on sustain the economic viability of farm operations and enhance the quality of product and help to achieve income and employment for farmer and society as a whole.

A more recent definition of sustainability is, "Meeting the needs of the present, without compromising the ability of future generations to meet their own needs". Most experts and business leaders see sustainable agriculture and marketing as being sustainable environmentally, economically and socially. The social aspect of sustainable future is a newer concept that is gaining more and more focus in many countries.

Emergence of new post-harvest technologies for sustainable agricultural products will need an improved agriculture rural market, and for betterment of these markets we have to give mainly focus on post-harvesting, grading, packaging and quality improvements of exporting materials is required. Moreover, agriculture rural market maximize, financing, arranging publicity, etc. would help in maximizing the potential in rural area.

The concern of restructuring of agricultural market, adopting of modern agricultural management to ensure better prices to the farmers, marketing available agricultural commodities to the consumer and food processing industry at reasonable rates, creating basic infrastructure for development of modern marketing system, encouraging the growers to form associations, co-operative organizations for carrying out agricultural marketing activities and developing linkages with the wholesalers, retailers, processors, exporters need attention of the individuals, groups and Governments. The bottom line is that we need to produce a lot more food in the future to feed the world and also develop their regional market to reach their consumers in time and for reduce the production cost. In the present situation global population is expected to grow by over 2 billion in the next 40 years and it is estimated that we will have to double the production levels to adequately amount of feed to the world population in 2050. To meet these needs, it will become critically important for agricultural producers, businesses and organizations. As the social aspects of agriculture production and

marketing gain increasing emphasis, we must be careful not to compromise sustainable future, or our ability to provide a safe and adequate food supply through the rural agriculture markets to worldwide consumers and for these co-operative marketing societies and regulated markets, in rural area together can assure, the presence of all these conditions can be considerably improved. Agricultural markets sourcing practices in agricultural marketing in regions have specific challenges, whether economic or social. Agriculture marketing in rural area has sustainable future and the trade-offs between sustainability and the availability of economically viable raw materials.

Problems in agricultural marketing

- Many of the farmers are not aware of the need for quality seeds and fertilizers and this poor quality seeds and fertilizers used in land it will result in poor product quality also. This type of low quality produce is not gain good price in market and ultimately it will not give the potential profit to the farmers.
- The literacy rate of farmers in developing countries like India are comparably low than other developed countries. The farmers may not have the updated knowledge of the market trend and activities and as a result of this they may unable to achieve the real price of their product.
- In these days also some places and buyer of agriculture produce have improper measuring of products, this will result in loss for farmers at the time of buying or selling of agriculture produce.
- The functionaries in the marketing process hold a major share of profit while the selling and buying the produce in the form of commission. It will happen due to lack of poor knowledge of farmers about agriculture marketing.
- The Demand for goods in rural markets depends upon agricultural situation, as agriculture is the main source of income in rural area and a large extent depends upon monsoon and therefore demand capacity is not stable and regular.
- The presence of too many tiers in the marketing and distribution system increases the cost of distribution.
- In rural area there are many marketing opportunities, as the overall growth of the economy has resulted into substantial increase in the purchasing power of the rural communities. After the green revolution it increase in per capita income in India and rural areas are consuming large quantity of industrial and urban manufactured products. Various schemes implemented by the government in rural areas for growth and development and provide opportunities in rural area.

Challenges

- The factor that had influence agriculture marketing in rural area is infrastructure development; it emerged as the strongest factor. The roads connectivity is very poor and not well maintained and this creates barrier in transporting the agro-produce to the market place.

- A rural market in India is farmers with limited marketing options who are sell their surplus produce.
- Current agricultural practices and there wastage without lack of proper marketing infrastructure in rural area are neither economically nor environmentally sustainable. Farmers access to markets is hampered by poor roads, lack of market infrastructure, and excessive regulation. For this all situation development of agriculture marketing is the solution and if it develops in rural area it will helpful for development of rural area also.
- Agricultural produce in rural area travels to the Indian consumer through slow and inefficient chain of traders if agriculture market is develop in rural area where the agriculture produce is grown then it will help to distribute the produce in good condition and easy way.
- India lacks cold storage, food packaging and also safe and efficient rural transport system; and this all causes in India one of the world's highest food produce spoilage rates, this happen in all the seasons but particularly in monsoons and other adverse weather conditions in country.
- Lake of infrastructure and Poor implementation of Government projects the major problems.
- Lack of coordination Central and State governments and other agencies should work together to develop agriculture marketing in rural region and implement improved policies and developmental models to change and modernise Indian agriculture for sustainable development.

Suggestions

There are various new opportunities in agriculture marketing.

- The important measure for develop agriculture marketing and provide new opportunities in rural area it need to make arrangement for education and awareness program for rural farmers in order to improve their knowledge in improving agriculture produce and its marketing process. These types of programmes will help to educate the farmers in usage of agriculture marketing properly and they learn using quality inputs, productivity improvement, and other marking opportunity which are developed specially for farmers.
- Implementation of rural development program in fast track to develop the infrastructural facilities which are needed for development of agro marketing such as road facility, communication facility, and so on, in rural areas will help for easy transportation of agro-produce to the market.
- The direct contact network creation between farmers and customers will help in reduce the unwonted functionaries which are involvement and help to reduce the unnecessary brokerage and commission to the functionaries. This direct contact network may increase the profit of the farmers and it can be possible by creating local outlets in villages.

- The creation of adequate infrastructural facilities in market driven economic environment is necessary for particularly in rural area. It minimizes economic disparities between rural and urban area and helpful for sustainable and equal development.
- Growth of agricultural production depends almost on the growth of Infrastructure development, it is necessary for transfer of technologies, supply of modern inputs and facilities for market clearance in rural area.
- Creation of marketing infrastructure in rural area is helpful for reducing the migration of people from rural to urban.
- Development of infrastructural facilities in rural area is also necessary to reduce the marketing costs and increasing the realization of farmers.
- Developed various crop-based producer groups to provide stronger linkages and develop Marketing system in their rural area it will provide linkage between producers and buyers throughout the region.
- Built the capacity for private sector agribusinesses in rural area for provide sustainable and equal opportunity for rural development.

Conclusion

The agricultural marketing plays a vital importance for the regional and economic development of India. The structure of agriculture markets seems to be in favour of growth of India and supportively for rural development. Agriculture markets can be the source of employment and income generation resulting in the development of standard of living and nation's development. But still India cannot enjoy the optimum benefit from this Agricultural sector, because of there are many challenges are face by this sector. Agriculture marketing helps the farmers to reach their customers within very short period, in order to avoid isolation of small-scale farmers from the benefits of agricultural produce. Development of agriculture marketing is one of this challenge, and needed serious attention as early as possible. Government should also focus on the implementation part of the various scheme and policies so the impact can be seen in the increasing opportunity in rural area and ultimately rural development in rapid speed. With greater focus on development, agriculture marketing has acquired a new significance in rural area and sustainable use of resources and application are considered vital. Hence, an inclusive growth strategy needs to include investments in agriculture marketing and also programs by Government to increase agriculture industry in the country. The availability of agriculture marketing infrastructure in the country is not adequate. More focus on agriculture marketing infrastructure development will reduce transportation costs, market risks in rural area and provide sustainable source of income to rural people in such a way which have a bearing on its march towards sustainable development.

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