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Agricultural Issues in India- A detailed study from the marketing perspective

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Abstract

Agriculture is the strength of the Indian Economy as the economic development of this country is very much relied upon the agricultural enactment. Agriculture provides not only food for nation's work force but also provides opportunities for contribution to industrial goods, employment generation, saving, market and earning foreign exchange. Marketing of agriculture products means a series of activities involved in the movement of agricultural produces from the point of manufacture to the point of consumption. Agriculture production system in India is characterised by small scale production and seasonality of production and demand many more. This paper is an attempt to indentify various problems faced by the Indian agriculture sector with solution done by the government till today and still to do. The Indian government taken some action for the betterment and development of rural areas and people.

Key Words: Agriculture, agriculture marketing and economic development.

Introduction:

Agriculture provides food to all the citizens of our country. It can be defined as art and science of production of crops and live stock on a farm. Agriculture is the pillar of Indian economy. Despite our major stress on the industrial development, agriculture continue to occupy "A place of pride in our economy ". In India agriculture and allied sectors contribute 17.32% in GDP and employs over 60% of the workforce in the country. India is the largest manufacturer, consumer and exporter 16% of the world. Exports of spices and spice products. In production of fruit India got the second position in the world. Therefore, agriculture provides foreign exchange which helps us to buy machineries from abroad. It also maintain a

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Vol-22-Issue-3-July-September-2019

‘balance of payment’ and make our country abundant. Agriculture provides raw material to pour leading industries such as textiles, sugar, and cotton industries. Not only this the workers in industries depend on agriculture for their food. Agriculture also provides the market for the range of goods. Tertiary sector provides helpful services to the industries and agriculture like banking, warehousing etc. Internal trade is mostly done in agriculture produce. The state government get a key part of their revenue in terms of irrigation charges, land revenue and agriculture income tax etc and central government also earn revenue from export duties on the agriculture production. Agriculture plays a key role in the internal business. It is because of the fact that 90% of our population spends 60% of their income of the purchase of agriculture items like food, tea, milk and other products.

Objectives:

- To study the foremost problems of agriculture marketing.
- To highlight the role of government for the development of agriculture marketing.
- To provide suggestions for their improvement.

Literature Review:

In recent years there has been considerable research related to agricultural marketing. This paper, however mostly deal with problems, challenges and development and Government initiatives toward agricultural marketing. The paper on rising agriculture Productivity and making farming remunerative for farmers (2015) done by the National Institutions for Transforming India (NITI) Aayog, government of India, concentrate on a select –out important set of policy issue confronting Indian agriculture to come up with recommendations that would help bring about a second green revolution in India and sustain robust growth in agriculture. Rajendran and Karthikesan (2014) in their study found that in order to avoid isolation of small scale farmers from the benefits of agricultural produce they need to be integrated and informed with the market knowledge like fluctuations, demand supply concept which are the core of economy. K Nirmal Ravi Kumar (2014) he discussed about the major problems involved in the practices of agricultural policies and strategies. Along with this the role of government for agriculture development is also provided. Shakeel-UI-Reham, Moh.Selvaraj and Moh.Syed Ibrahim (2012) A review bring out past and present scenario of agriculture marketing prevailing in India, it’s challenges and future recommendations. They pointed out several problems and challenges involved in agricultural marketing produce. New methods of marketing like contract farming are visible, providing

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Vol-22-Issue-3-July-September-2019

farmers with better return. The TATA's, The Birla's, The Mahindra's and corporate houses are entering and expanding the agriculture trade. Sourovi De (2010) provides a detailed analysis of the various issues pertinent to the functioning of agrarian credit market. These includes the glaring chasm, between demand and supply of agrarian credit, the emergence of sectors with the Indian economy which complete with agriculture for institutional credit. Kashyap and Raut (2006) in their paper discussed the various challenges typical of the rural environment such as physical distribution channel, management promotion and communication. To overcome these challenges—marketers need to be equipped with technology based system like e-marketing.

Problem Areas in Agricultural marketing:

Small and disseminated holding :

The cost of producing and transporting agriculture produce increases and the marketing margin decreases. Therefore, Farmers are scattered in Indian agricultural system.

Lack of Storage and Warehouse Facilities :

Due to lack of adequate number of warehousing and storage facilities in India farmers have to sell out their produce as soon as it is ready. It result in getting poor price by the farmers are having very poor quality which also affects the quality of the agricultural produce.

Lack of Conveyance Facilities :

Agriculture sector is affected mostly by lack transportation facilities which includes all appropriate transport vehicles, roads for transporting perishable goods and linkage roads to Mandis. Due to this are chunk of money is expanded over transportation costs.

Lack of Agricultural Credit Facilities :

ISSN: 0971-1260
Vol-22-Issue-3-July-September-2019

Lack of availability of cheap credit facility and high dependency on informal credit channel has affected the growth and transformation of agriculture productivity. Due to rigid norms of banking sectors, farmers are force to lend money from lenders at a very high interest rate. They used sell their produce at the earliest to repay the amount of taken from money lenders to avoid heavy interest charge.

Lack of Uniformity in Standardisation :

Due to lack of proper mechanisms for handling, processing and lack of scientific techniques for packaging of agricultural produce result in hefty wastage and loss to the farmers. Poor packaging and handling expose the product to substantial physical damage and quality decline.

Lack of Market Information :

Many villages are still out of the range of information and communication technology. Due to this, farmers are uninformed of the present and future prices of their produces prevailing in big markets. They, have to accept any prize for their produce offered by middleman.

Role of Government for the upliftment of Agricultural Marketing:

The Government of India play very major role in the agricultural marketing system by framing norms and guidelines, supporting, infrastructure development, administrating prices and influencing demand and supply of agriculture produce in the market.

Controlled Market :

The controlled market refers to a market where the activities are to take place under a set of rules and regulations. It aims at the growth of marketing structure to

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Vol-22-Issue-3-July-September-2019

ensure fair rates to farmers, narrow down the price spread between producer and consumer and reduce the non functional margins of the middleman.

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) :

The **MGNREGA** (2005) aims to enhance livelihood security for all adults eager to perform unskilled manual labour in rural areas. Any household is entitled to 100 days of employment in a financial year act a minimum daily wage rate. Work can be split among household members but workers must be at least 18 years old. The MGNREGA's planning process is unique among India's government programmes.

Pradhaan Mantri Gram Sadak Yojna (PMGSY) :

The PMGSY is a nationwide plan in India to provide good all weather roads connectivity to unconnected villages. This centrally sponsored scheme was introduced in 2000 by then PM of India Shri Atal Bihari Bajayee and Shri Prabhjot Singh and this scheme change the life of villages and increases the infrastructure.

Provision of Finance :

To provide agriculture finance the Government of India contribute significantly. The initiatives take by the Government resulted in the growth of rural branches of commercial banks. Establishment of RRB's, Priority Sector landing, Self Help Group (SHG) bank linkage programme, Kishan credit cards, financial inclusion programmes etc.

National Institute of Agricultural Marketing :

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Vol-22-Issue-3-July-September-2019

The **(NIAM**) established in Jaipur has started its function from 8th Aug 1988. Main function of this institute are to expand the agricultural marketing infrastructure of the country. Through programme of teaching, research and consultancy services and to design and conduct training courses appropriate to specific identified needs of the personnel and enterprises and institutions that they service.

Suggestions for improvement in Agricultural marketing:-

The government of India have taken several steps to uplift the status of agricultural sector. Here ,few suggestions have been given for the improvement in agriculture marketing .These are:-

- **More investment in market research and surveys:-**

  To make the agricultural marketing more effective it is required to conduct marketing research in the field of agriculture on regular basis. This involves huge amount to conduct marketing research to get the real and effective solutions for agricultural problems. For this, The government should allocate sufficient amount for marketing research and survey.

- **Commercial Banks:-**

  Commercial banks are providing loans to the farmer for meeting their short and medium term requirements. The loans are advanced to the farmer against the security of land, crop, fixed assets and even on personal security. The procedure for getting loans should be made easy.

- **Agricultural Price Policy:-**

ISSN: 0971-1260
Vol-22-Issue-3-July-September-2019

The government decide the minimum support price (MSP) for various agricultural commodities. It is a form of market intervention by the government of India to ensure agricultural producers against any sharp full in farm prices . It is suggested that more agriculture products should be taken under this pricing policy.

- **Taccavi loans:-**

  Taccavi loans are handled by the provincial revenues department. These loans are primarily given to the farmers for meeting emergences such as food, earthquake. Failure of crops etc. The farmers take these advances in the spirit of gift or relief given in calamity and are not serious in repaying them. The provincial government should allocate more funds for agriculture development as Taccavi loans.

Conclusion:-

In India farmers are facing lots of problems weather it would be created by nature or by man made. It will take much time to solve their problems. Every year in budget , government sanctions huge funds and formulates various policies and programs for the purpose of developing, agriculture sector in India. In the recent year, government has established a price stabilization with the setting up of this price stabilization with the setting up of this price stabilization fund, formers will be able to get fair price for their produce while consumer would be able to purchase the same at affordable prices and government also focus on the operation greens to address price fluctuations in potato, tomato and onion. And take place the ground water irrigation scheme under prime minister krishi sinchai yojna-Har Khet Ko Pani. On the other hand government is in the process of developing an insurance product which could ensure farmers against both yield loss and price fluctuations.

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Vol-22-Issue-3-July-September-2019

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