

Agricultural Marketing in North - East India with Special Reference to Assam

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Abstract:

There has been great concern in the recent years regarding the efficiency of marketing of agricultural produce in India. It is believed that poor linkage in the marketing channels and poor marketing infrastructure are leading to high and fluctuating consumer prices. Marketing infrastructure serves as the wheels for carrying economic activities. In India, agriculture is considered to be the mainstay of the large number of population which directly or indirectly contributes to the livelihood of the rural masses as a whole. In North-Eastern Region of India 77 per cent of the working population are engaged in agriculture. The development of agricultural marketing system has considerable importance. Marketing of agricultural commodities in the north eastern states is dominated by the private traders because of the absence of proper implementation of Market Regulation Act. The north eastern states have high production of fruits, spices and cashew etc. but earlier, it could not fetch market price to the farmers at par with the markets in the other states. Besides, marketing approaches and processing facilities, procurement practices, the infrastructure etc. act as the major constraints in the rural marketing in the North-East (NE) region. The social and cultural practices are also responsible to a great extent for the underdevelopment of agro-industries in the region to provide better value addition to the horticultural crops. Hence, it is very essential to diagnose the problems in the NE region for providing improved marketing environment and economic benefits to the farmers through better management of various post-harvest functions of the agricultural crops. The present paper aims to examine the existing position of agricultural marketing in NER, and tries to discuss its problems and prospects. It also suggests some measures for the development of agricultural marketing in future.

Key Words: Agricultural Marketing, Economic Development, Efficiency, Horticulture

1. INTRODUCTION:

“The Purchase of the agriculturists’ requirements and the scale of his produce are key activities in the business of farming...Due to his inability to secure a fair deal at these two stages, the average agriculturist is denied the full fruits of his industry.”-First Five-Year Plan.

Marketing of his produce is the most important activity in the case of small farmers who have small surpluses for marketing. Agricultural marketing system is an efficient way by which the farmers can dispose their surplus produce at a fair and reasonable price. Improvement in the condition of farmers and

their agriculture depends to a large extent on the elaborate arrangement of agricultural marketing. The term agricultural marketing include all those activities which are mostly related to the procurement, grading, storing, transporting and selling of the agricultural produce.

Agricultural marketing has a pivotal role to play in the socio-economic transformation of the predominantly agrarian economy like India. This is now a well recognized fact that our nation cannot march ahead on the road of economic growth without ensuring a remunerative price to the farmers for their produce. Development experiences have demonstrated that efforts to increase agricultural production have generally been frustrating unless there were parallel developments in marketing. A good agricultural marketing system, especially food marketing, is crucial for effective agricultural and rural development, particularly with regards to sustained increase in agricultural production and farmer's income and improvement of the food security capabilities of concerned countries. According to National Commission on Agriculture, "Agriculture marketing is a process which starts with a decision to produce a saleable farm commodity and it involves all aspects of market structure or system, both functional and institutional, based on technical and academic considerations and includes pre and post harvest operations, assembly, grading, storage, transportation and distribution". Thus, in agricultural marketing we are concerned with demand and supply conditions, marketing operations including marketing functions, functionaries and cost, price fixation, market structure, conduct and performance and market efficiency. The success of any agricultural development programme rests ultimately on the efficiency of the marketing system. The economy of the northeastern region is predominantly agriculture comprising agriculture and horticultural crops. The rural marketing is largely unorganized in the region and dominated by the private traders. The northeastern states have observed high production of fruits, spices and cashew in the recent past but could not fetch market price to the farmers at par with the markets in the other states. The topography of the NE states is not favorable for the movement of the products. Besides, the infrastructure, procurement practices, marketing approaches and processing facilities are also observed as the major constraints in the rural marketing in the NE region. The social and cultural taboos are also responsible to a large extent in not developing agro-industries in the region to provide better value addition to the horticultural crops. It is hence, necessary to diagnose the problems in the NE region for providing improved marketing environment and value added economic benefits to the farmers through better management of various post-harvest functions of the horticultural crops.

2. Objectives of the Study:

- To examine the existing position of agricultural marketing in North-Eastern Region with a view to ascertain its problems and prospects.
- To suggest some measure to overcome the problems of Agricultural Marketing in North-Eastern Region.

3. Data Source & Methodology:

The study is entirely based on secondary data. The secondary data has been gathered from published reports brought out by the Department of Agriculture of the NER states, Apex Marketing Societies, Directorate of Economics and Statistics, Indian Journal of Marketing, Weekly Journal of Rural Development, other books related with agricultural marketing.

The study is descriptive in nature. Simple statistical tools like tables and graphs have been used to analyze the whole situation.

4. Review of Literature:

There has been great concern in the recent years regarding the efficiency of marketing of agriculture produce in India. It is believed that poor linkage in the marketing channels and poor marketing infrastructure are leading to high and fluctuating consumer prices and to only a small proportion of the consumer rupee reaching the farmers. While conducting a research on a topic, it is very essential to conduct a review of the existing literature in the related field. Barah (2007) in his research paper has made an attempt to diagnose the problems of regional agricultural economies in the changing scenario and to analyze future prospects, identify the sources of agricultural growth and the constraining factors for agricultural development. The study was mainly based on secondary data. The data set was consisted of area and production of various crops livestock, fishery activities and other relevant variables. Deka & Sharmah (2012) in their research work has made an attempt to examine the existing position of agricultural marketing in NER with a view to diagnose the problems and prospects. They have also given some suggestive lines of development in future. Their study was based on both primary and secondary data. The required primary data has been collected from randomly selected households representing the three districts i.e. Karabi Anglong of Assam, Senapati district of Manipur and East Garo Hills of Meghalaya. The sample size was 51 villages of the three selected districts. The data has been analyzed and interpreted theoretically to draw conclusion. Irengbam (2012) in his research paper has tried to give a comparative picture of agricultural marketing in NER and Punjab. He has attempted to highlight the major problems of agricultural marketing in Punjab and NER separately. Elamathi (2013) has also made an attempt to find out the major challenges and present constraints of Agricultural Marketing in India. Bissa and Vyas (2014) in their research work has made an attempt to analyze the infrastructural status of Agricultural Marketing in India. They have argued that the proper infrastructure system will not only decrease the cost of distribution but also will facilitate to various section of the population like farmers, traders, consumers, scientists etc. Murugesan & Rajarajan (2016) in their research paper has tried to highlight the problems and prospects of agricultural marketing in India. The statistical data revealed that agricultural labour forces are shifting towards the construction industry, textile industry and other unorganized sector causing the scarcity of labour force.

5. Discussion:

North East Region of India comprising of the states of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura representing a distinct agro-climatic zone of the country. The

region occupies nearly 8 per cent of total geographical area and supports nearly 3.8 per cent of the country's population as per the 2001 census. More than 80 per cent of the people in these states are dependent on agriculture and allied activities but with poor resources base and low economic status with limited investment capacity. Since agriculture sector is dominant in this region, development policy for these states needs to assess with reference to its performance, contribution and role.

5.1. Agricultural Marketing system in NER:

Marketing of agricultural commodities in the northeastern states, by and large, is dominated by the private traders due to the absence of proper implementation of Market Regulation Act by the State Agricultural Marketing Boards. Among all the states in the region, Assam, Meghalaya and Tripura have Market Regulation Act. In Tripura, it has been enacted and implemented to some extent for non-food grain crops like jute and mesta. In Assam, the implementation process is hampered due to various litigations put up by the traders. The agricultural produce marketing act in Meghalaya has been enacted but it is yet to be implemented while in Manipur preparation of the bill is in process. A brief description of the trade practices related to agricultural commodities in different states of the region is given below. Assam as an agricultural state the rural population is about 87.5 per cent living in 25124 villages (Economic Survey, Assam, 2010-11). Out of the total rural population about 75 per cent depend directly upon agriculture. The overall economy of the state depends upon the agricultural development and, hence, agricultural sector has been receiving considerable attention in the planning process. Assam grows large number agricultural crops like paddy, pulses, oilseed, spices, fibre crop like jute, mesta and cotton and fruits and vegetables. Under the existing system of agricultural marketing in Assam, farm produces change many hands before reaching the consumer. The middleman, in the process extracts a large share of consumer's rupee while the farmer gets only a small share. Taking advantage of the farmer's poor condition and weak bargaining power in the transaction, a set of middleman at different stages have emerged as a powerful channel for the procurement of food grains. Thus, the farmer needs protection from such exploitation and also assistance in many respects, more so in a state like Assam where the agriculturists are subject to natural calamities and various other constraints.

Marketing of agricultural produces in the state is a serious problem for the farming community. As most of the agricultural produces are perishable in nature, lack of organized marketing facility, lack of storage infrastructure near the field, poverty and need of money after harvest for repayment of agricultural debt push the farmers to dispose off their produces at the earliest and at low prices. Hence there is a good potential to develop agricultural marketing infrastructure with private sector participation. The Assam State Agricultural Marketing Board (ASAMB) has established 24 Regulated Market Committees, 20 Primary Market Yards, 206 sub-markets, 735 Rural Primary Markets and 405 Wholesale markets. The Regulated markets have been covered under AGMARKET. As regard to cold storage infrastructure in the state, there are 23 and 19 numbers of cold storage under the private and the government sectors respectively available in the state at present. The State Agricultural department has taken initiative for establishment of market infrastructure, storage facility and to eradicate transportation bottlenecks by distributing 224 number of auto van, 610 numbers of Mini truck and transport subsidy for carrying the produces from remote area to

the distant markets. The rural connectivity scheme implemented under the PMGSY is also a major step that benefitted the farmers to take out their agricultural produces to nearest urban markets.

Under the APMC Act, 19 cold storage and about 117 rural godowns have been established in Assam. Most of the constructed cold storage were located in Tinsukia, Nagaon, Silchar, Karimganj, Golaghat, Kamrup and Barpeta districts, while majority of rural godowns have been set up in Kamrup and Cachar districts. The state government has also taken initiative to create storage capacity of additional 4 lakh tons for foodgrains at Nagaon, Silchar, Dhubri, Biswanath Chariali AND changsari (Kamrup district) with an estimated cost of Rs. 368 crore (State Focus Paper, Assam, 2012-13, NABARD) .

Table 1: Market Infrastructure and Processing Unit Developed

Regulated Market Committees	24 nos.
Principal Market Yard	20 nos.
Sub-market Yard	206 nos.
Total Regulated Market	226 nos.
Wholesale Market	405 nos. [Wholesale Market developed 21 nos. (6 nos. in progress)]
Rural Primary Market	735 nos. [Rural Primary Market developed 272(47 in progress)]
Total Market	1140 nos.
Organic Market Developed	1 no.
Godowns	<ul style="list-style-type: none"> • Godown-52 nos. • Seed Storage Godown-21 nos.
Cold Storage	26 nos.
Processing Unit	6 nos.
Drying Platform	33 nos.
Community Threshing Floor	55 nos. (under RKVY)
Grocery Society	680 nos.
Transportation	Three Wheeler:162 nos., Four Wheeler: 470 nos.

Source: Directorate of Agriculture, Assam

Availability of above marketing, storing and processing infrastructures, however, appears to be insufficient to fulfill the marketing aspects in Assam. It was clear from the study of marketing situation of Karbi Anglong district, the farmers of the state and the district are facing problem in disposing their produces. During peak harvesting season of *Rabi* vegetables *i.e.*, from January to March, the markets are overloaded with vegetables and the farmers have to dispose their produce at a very low price on the very market day due to non-availability of cold storage facility near the market. Inadequate availability of processing unit/ cold storage/post harvesting infrastructure like godowns, inadequate transfer of off season vegetable technology and inability of small and marginal farmers to transport their produces to the markets where they can fetch justified market price compel farmers to dispose their produce to the middlemen at lower price.

In Arunachal Pradesh, there are no effective regulated markets, the whole trade moves around the private merchants who mostly procure the commodities at local markets in villages held periodically. The traders take the contract of standing crops particularly paddy and fruit and harvest it at their cost paying

fewer prices than prevailing market price. The cooperatives are mainly the distributing agencies for consumer goods and do not enter into the product market for procurement of foodgrains, fruits or vegetables. The itinerant traders visit the villages all the six days in a week and collect the produce from them. The conditions of the state do not allow for free and uninterrupted transportation.

Similarly, other north eastern states like Nagaland, Mizoram and Sikkim also are suffering from same types of marketing problems. Entire market is handled by middlemen and private traders. The advantages are taken by the middlemen and traders due to the difficult geographical terrain and lack of proper transportations and other basic infrastructure facilities in rural areas. In these states primary markets are serving but there is no uniform pattern of organizational and management set-up of these markets.

5.2.Recommendations to Improve the Condition of Agricultural Marketing in NER:

The following recommendations have emerged after the study of the rural marketing system in the selected states.

Agriculture Production and Yield

- The agriculture in the northeastern states is the main stay of the economy and is yet to be geared up commercially. The higher production of cereals, pulses, oilseeds, cash crops and horticulture produce in the region would subsequently lead to higher marketable surplus, larger scope for processing activities and input marketing. There is a need to enhance the agricultural production base, as existing yield levels are nowhere near the national averages.
- In order to consider the improvement in the agricultural practices in the region, the stasis in the cropping pattern should be broken. It is necessary to explore the possibility of taking farmers from the northeastern region to the other states in western and southern area where farming in the new areas like floriculture, exotic vegetables etc can be studied.

Management of Rural Markets

- The northeastern states like Assam, Meghalaya and Tripura have the legislation for the marketing of agricultural produce but there exist many problems in enforcing the Act in various markets in the states through the regulated market committees. Consequently a large number of rural markets are unorganized and should be brought into regulation in a phased manner.
- The management of rural and apex markets should be handed over to the local bodies elected democratically including cooperatives. Professionally qualified managerial talent should replace the officers on deputation to facilitate long term planning and development of marketing institutions.

Logistics and Infrastructure

- Storage and grading is an important function in the agribusiness and needs to be strengthened in the region. Since the concepts of grading and scientific grading are unheard at the farm level, the apex marketing boards should organize onfarm as well as classroom based training for both farmers and village traders. Focus should be given on retaining traditional bamboo based mat age but at the same time sensitize the farmers to other alternatives like Polypropylene, High Density Polyethylene based materials for storage as well as handling of agricultural produce.

- Most of the existing storage capacity is concentrated in major towns with institutions like State Warehousing Corporations, Marketing Boards and Apex Cooperative Federations which is neither accessible to the farmers nor affordable to them. The efforts should be made on creating rural storage capacity with primary agricultural credit societies and panchayats.
- Transportation of agricultural and other rural products has become both expensive and inadequate despite the fact that speed of movement is so vital for Rural Marketing System in the Northeastern States ASCI Consultancy 170 realizing good returns on the perishable horticultural produce. The team does not support the idea of apex marketing boards operating their own fleet of vehicles as the system leads to several managerial problems as noticed in other states. While they may continue to operate refrigerated vans purchased under central schemes of Government of India (GOI), private transporters should be encouraged with adequate credit support through the financial institutions to purchase the light commercial vehicles and operate. To check exploitation of farmers the transport tariff may be fixed from time to time by the respective state governments as is done for passenger transport in major towns and cities.

Processing

- The team recommends two-fold approach for processing of all agricultural and horticultural produce. With respect to the crops like citrus and pineapple all over the northeastern region, large commercially managed economically viable processing units may be encouraged in the private sector. For crops like ginger, papaya, tapioca, areca nut etc. small low cost processing units where even only intermediate value additions is possible, may be encouraged through cooperatives, farmers associations, non-government organizations and autonomous district councils etc. in the region.

Business Linkages

- There is a need for strong horizontal linkages among the unorganized rural markets, regulated markets of apex marketing boards and primary level cooperatives on one hand and the vertical linkages across the national institutions of the GOI, state level marketing organizations and primary level institutions. These linkages should facilitate the flow of market-related information and skills as also resources information on physical infrastructure such as transportation, storage, packaging and other facilities for planning and implementations of government schemes.
- The northeastern region has historically enjoyed good trade relations with the erstwhile East Bengal that continues even today across the Bangladesh border. As agribusiness has fast taken shape in the country, the northeastern states should create export wings in their apex marketing boards, corporations and related marketing organizations to drive home the market advantage that already exists.

6. Conclusion:

Marketing is the crux of the whole food and agricultural problem in almost all developing countries. It would be useless to increase the agricultural production as well as productivity, unless means could be found to move the agricultural produce from the producers' field to the consumers' store room at a price which represents fair remuneration to the producers on the one side and the consumers' ability to pay on the other side. It is in this respect, that the agricultural marketing societies in India provide an organized forum for selling the agricultural produce of farmers at a fair price and also offer reliable and modern means to compete with the private enterprises which is better placed in terms of technological and financial resources. The role of the co-operatives has progressively expanded in the field of agricultural marketing. Besides, there are many cooperative agro processing units that promise extraordinary potential to boost the Indian Economy. Thus, the agricultural marketing and the agri-business co-operatives occupy an important place in the overall strategy for agricultural development in India. Hence, the marketing co-operative societies are indispensable for the growth of agricultural community and the government must take all the necessary steps to revive them from their dormancy and thereby enable the agriculturists to get the maximum possible prices.

7. References:

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