

“STUDY OF MARKETING AND NEED OF CHANGE IN MARKETING TECHNIQUE FOR AGRICULTURAL PRODUCE.”

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ABSTRACT:

Indian agricultural marketing is poor and defective. Farmers not getting reasonable price for their produce. Mostly Indian farmers are illiterate or can easily be fooled by money lenders, middle-man, traders etc. Most of the margin of farmers taken by middleman results in loss of farmers and customers getting product at high price. Also, there is lack of processing machinery and storage facilities so they have to sell their produce immediately after harvesting. In Indian agriculture market there is no proper grading and standardization system for agriculture produce and lack of infrastructure like roads and transportation system made available.

There is need of change in agricultural marketing so farmers should adopt concept like contract farming, Direct marketing, Private wholesale market, organized retailing, FPO (Farmer Producing Organization), Co-operatives in Agricultural Marketing like AMUL. This can result into Monetizing the produce, Market growth, Capital formation and investment in technologies, Increase in revenue generation, Market expansion, Export and foreign exchange. Need of change in agricultural marketing is a serious issue. New innovative ideas can change the life style of the farmers.

In the current study researcher has tried to understand the present marketing techniques used by farmers to increase their revenue. But due to fast changing market scenario the companies and every one doing business needs to keep updating the marketing techniques on regular basis.

Keywords: Agriculture marketing, marketing techniques

A) Introduction:

Agricultural marketing comprises all the activities involved in the supply of farm inputs and output – including all those operations which are related to the procurement, collecting, grading, storing, food and Agro-processing, transportation, financing and selling of the agricultural produce. In effect, marketing includes all overarching aspects of agribusiness, while it excludes the core activity of cultivation.

The agricultural marketing system also relates to economic growth of the agriculture sector and ensuring safe and affordable food to consumers, both of which are directly linked to the food security of the country.

Even though India is an agricultural country, still agricultural marketing is not very effective and efficient that it can increase the revenue of farmers and companies. Hence, farmers do not get reasonable price for the products even after their hard work and are fully exploited by the middlemen.

Current issues of Agriculture marketing: India is known as agriculture based country blessed with very much suitable weather conditions and good quality of soil. It's said that "Indian soil produces Gold", but on the other hand agriculture sector is not handled with seriousness by our Government since beginning. Now, in recent years farmers and agriculture sector is considered for some subsidies and facilities by Government. There are many concerns about the sector. Major drawback which we are focused are poor marketing strategies.

- The one main defect of the Indian Agricultural marketing is the presence of too many middlemen

and exploitation of farmers by them. On one hand these middlemen exploit the farmers by purchasing the produce at lower prices and on the other hand they exploit the customers by demanding higher prices from them. The only aim of a number of commission agents, brokers etc. is to derive a higher income from the middle processes. These middlemen take undue advantage of the poor farmer on the basis of their financial resources.

- One of the biggest issue of agricultural marketing arises due to weights and scales. Usually, in rural areas bricks & stones, etc. are used as weights and in urban markets also defective weights are found. Thus, the grain of the farmer is weighed by a heavier weight for their own gain. Most of the traders keep separate weights for purchase and sale of grain.

- The Indian farmers are not fully literate and hence, are easier be fooled by the money

lenders, traders, middlemen, due to their simple nature. Similarly, lack of unity among farmers also causes their exploitation because Indian farmers are spread in distant areas in rural places. They are unable to meet with each other and resolve their problems, as a result they do not get a fair price for their produce.

- In the rural areas there is lack of financial resources, due to which even their emergency

Requirements are not fulfilled. In such conditions the farmers sell their produce before its ripening. Similarly, some financial facilities, like, installments on loans for pumping-set, tractor, thrasher etc. have to be paid on monthly or quarterly basis due to which they have to sell the product as soon as possible. Thus, as the lack of financial assistance, is a problem for the farmers; so does the receipt of loan also puts them in problem.

B) Objective:

1. To study the present situation of agricultural marketing system in India.
2. To know the limitations of marketing system and problems faced by the farmers.
3. To find out new techniques in marketing system to overcome the problems of producers.
4. To understand if farmers can easily adopt new marketing methods.
5. To know about advanced technology in marketing.

C) Research Methodology:

- i) **Secondary Data:** The current study is to understand the current marketing systems and understand the new techniques which can improve agriculture produce the secondary data collection is used to get the information and same is discussed in the research paper.
- ii) **Descriptive analysis:** The more suitable analysis technique for the study is descriptive analysis hence, it is used.

D) Data Analysis & Interpretation:

i) Marketing methods used by Indian Farmers:

Marketing by middleman: In India agricultural marketing is not in vogue, like, cooperative societies, government marketing activities, regular markets etc. As a result, the farmer remains entangled in exploitation. Thus, lack of organised marketing system is harmful for the farmers. That is -why; the farmer sells his product personally to different people. The middleman take full advantage of the unorganized farmers.

Distribution channel: The roads from Villages to cities are usually unmade which are not capable of transport during the rainy season. The bullock carts can take the product only up to a limited area. During lack of transport facilities the farmer is unable to take his produce to the appropriate market and is unable to receive a fair price for his product.

Warehousing facility: Agricultural marketing system in present scenario does not provide sufficient store houses. Due to lack of this facility the farmer is unable to keep his product safely until it can fetch a fair price, and he is forced to sell his product at a low price. The insufficient and unscientific facilities of shortage which are available, waste large quantities of grains. Approximately 20% to 30% grains are lost due to rats, insects etc. and the farmers have to bear crores of loss due to lack of these facilities.

Agriculture produce grading system: Presently there is no seriousness in standardization and grading of these products and its is very difficult to convince the buyer about the standard of the produce. Hence, the customers have problem in purchasing the product.

Information about the market: The Indian farmer has very poor knowledge about marketing. They presently following the information acquired from the businessmen and money lenders of the village. There is very less acquaintance with Newspapers, magazines and information sources which keep them away from the actual situation of the overall market for their produce and hence, they get very less information about government rates of the market which would otherwise benefit them.

ii) **Consequences of poor marketing systems:** The inappropriate marketing system is so deep laden in India that about 5% of the amount is deducted from the farmer's produce in the name of donations, 'dharmada', 'chanda' etc. The farmers are paid low price, as they lack appropriate knowledge about market prices, their fluctuations, government policies etc. Thus, by keeping the rates secret, the farmers are cheated. Before the sale, large amounts of grains are taken from the

farmers as samples. By declaring the product to be of substandard quality minimum prices are paid for it.

iii) Future plans for effective marketing:

- a) Improving the literacy rate: It is very much required to spread the education to each every farmer so that they can read and write.
- b) Conducting seminars: Farmers shall be given various inputs about increasing their sales and revenue by organizing seminars on marketing systems.
- c) Use of technology: Indian farmers shall get well worse with the latest technology like using android phones, data cards, using technology in their farming activities to increase the produce of better quality.
- d) Unified market : A well- organized domestic marketing system will integrate by developing extensive connectivity across a network of demand centers and supply regions, creating uniformity in the market arena.
- e) Direct Marketing: In direct marketing, the farmers directly sell with the produce consumers. These markets have helped in mitigating the problems of fragmented supply chain. Direct marketing skips multiple layers in their transactions and benefits by skipping of intermediary margins.
- f) Private wholesale markets: These have not yet developed in India and states need to liberalize the marketing regulations to promote development of private markets.
- g) Organised retailing: On the lines of SAFAL (the fruit & vegetable marketing subsidiary of Mother Dairy) which is an example of indigenously organised retailing network. SAFAL operates in Delhi out of approximately 400 retail outlets, and sells about 350 tonnes of fresh produce daily in Delhi-NCR markets.
- h) Farmer Producer Organisations (FPOs): Organising producers into formal management practices help to take collective decisions on cultivation to make the best use of market intelligence, as well creates opportunities for producers to get involved in value adding decisions and activities such as input supply, credit, pre-conditioning, processing, marketing and distribution.
- i) Cooperatives in agricultural marketing: Cooperatives are organised to aggregate farmers for establishing scale in their production and marketing activities, besides easing access to credit and other services. So, these are the some of the future plans with respect to present facts.

Conclusion:

According to current scenario the agricultural marketing system is not well developed and there is still much scope in adapting new technology in agricultural marketing system. The margin which actually belongs to farmer is taken up by middleman and traders over the years as the rate of agricultural produce mainly controlled by traders and middleman. Hence farmers are not able to overcome their financial situation due to poor marketing methods.

Agricultural marketing system in India still follows traditional methods and most of the farmers are illiterate so they get exploited by the system. They are not getting expected price for their produce, which leads to bankruptcy and suicide of the farmers. There is wide scope for adopting new technology in marketing system to make it transparent.

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