

Agricultural Marketing System In North-East India: Problems And Prospects With Special Reference To Assam

Kousik Boro¹

Dr. Rajesh Deb Barman**

ABSTRACT

In recent times, there has been a major concern about how effectively agricultural products are marketed in India. High and volatile consumer prices are said to be driven by insufficient infrastructure for marketing and weak channel connections. The wheels that move economic operations are marketing infrastructure. In India, a major portion of the population relies on agriculture for their living, either directly or indirectly benefiting the general rural population as a whole. 77% of people who are employed in the North-Eastern region of India work in agriculture. The evolution of the marketing mechanism for agriculture is crucial. Because the Market Regulation Act has not been properly implemented. Private merchants dominate the marketing of agricultural goods in the North Eastern States. Although the North Eastern States produce a large number of fruits, spices, and other products, they earlier were unable to match pricing with the marketplaces in other states. Additionally, the infrastructure, procurement procedures, marketing strategies, and processing facilities all provide serious challenges to rural marketing in the North-East (NE) area. The underdevelopment of agro-industries in the area to better add value to horticulture products is also significantly attributed to social and cultural norms. To enhance the marketing environment and the farmer's economic advantages through better management of various post-harvest functions of the agricultural products, it is crucial to identify the issues in the NE area. This paper examined the current state of agricultural marketing in NER and attempt to discuss its challenges and future opportunities. Additionally, it proposes some recommendations for future improvements in agricultural marketing.

Keywords: Agri marketing, efficiency, horticulture, infrastructure, merchants, product, pricing, trade, storage

¹Research Scholar, Department of Commerce, Bodoland University, Kokrajhar, BTR, Assam, India, kousikboro123@gmail.com

**Assistant Professor, Department of Commerce, Bodoland University, Kokrajhar, BTR, Assam, India rajeshbarman@buniv.edu.in

ORCID ID : <https://orcid.org/0000-0003-0957-4302>

Agricultural Marketing System in North-East India: Problems and Prospects with special reference to Assam

Kousik Boro¹

Dr. Rajesh Deb Barman**

1. INTRODUCTION

Agriculture is the single sector that consistently does well, irrespective of the economic climate of the nation. After all, the basic necessities for survival are food. Agriculture provides opportunities for contributing to industrial goods, employment creation, saving, market development and foreign exchange earnings in addition to providing food for the nation's labor force. Small-scale production, seasonality in supply and demand, and other factors distinguish India's agricultural production system. As a result, each country's agricultural industry is viewed as the most important sector. Particularly in a nation like India, which is regarded as an agrarian society and where farming constitutes the foundation of its economy. Agriculture and related activities provide a livelihood for more than 60% to 70% of the Indian population. More than 52% of the country's total labor force is employed in the agricultural sector. Between 14% and 15% of India's GDP (Gross Domestic Product) is contributed to agriculture. An agricultural business, also known as Agribusiness involves the farming, production, marketing and management of agricultural commodities such as grains, vegetables, fruits and livestock. An agribusiness, in a broader sense, includes resource utilization, conservation, ranching and agricultural produce sales. The three main sectors mentioned below may be used to classify the agriculture industry.

- Resources for production, such as seeds, feed, fertilizer, energy, machinery.
- Agricultural products such as unprocessed or processed food and fibre.
- Facilitative services like insurance, marketing, credit, processing, storage, packaging, transportation etc.

In the case of small farmers with small surpluses for marketing; marketing his produce is the most important activity. The agricultural marketing system is an efficient method for farmers to dispose of surplus produce at a reasonable and fair price. The elaborate arrangement of agricultural marketing plays a large role in improving the condition of farmers and their agriculture. Agricultural marketing covers the services involved in moving an agricultural product from the farm to the consumer. These services involve the planning, organizing, directing, and handling of agricultural produce in such a way as to satisfy farmers, intermediaries, and consumers. Numerous interconnected activities are involved in doing this, such as planning, production, growing and harvesting, grading, packaging, transport, storage, agro and food processing, provision of market information, distribution, sales and advertising. A strong agricultural marketing system, especially one that emphasizes food marketing, is essential for successful agricultural and rural development, specifically when it comes to a sustained increase in agricultural production and producer income and an improvement in the ability of the concerned countries to ensure their food security. The National Commission on Agriculture defined agricultural marketing as a process which starts with a decision to produce a saleable farm commodity, and it involves all aspects of market structure of system, both functional and institutional, based on technical and economic considerations and includes pre- and post-harvest operations, assembling, grading, storage,

transportation and distribution. This implies that in agricultural marketing, it is concerned with supply and demand conditions, marketing operations, including market functions, market functionaries, and costs, price fixation, market structure, conduct, and performance in addition to market efficiency. Any agriculture and rural development programmes positive aspect depends on how effective the marketing system is. The North Eastern region's economy is based primarily on agriculture, including both horticultural and agricultural crops. Private traders dominate the region's largely unorganized rural marketing sector. Although there has been a recent increase in fruits, vegetables, nuts, spices, and cashew production in the North Eastern states, farmers have not been able to obtain market prices that are competitive with those in other state's markets. The North Eastern States topography is not conducive for the movement of the goods. Furthermore, Infrastructure, procurement procedures, marketing strategies and processing facilities are also noted as major roadblocks to rural marketing in the North East region. The lack of development of agro- industries in the area to better add value to horticultural crops is also largely due to social and cultural taboos. Therefore, it is essential to identify the issues in the North East region in order to improve the farmers access to markets and to add value to their businesses by managing the various horticultural crops post-harvest processes more effectively.

2. Review of Literature

Rajendran & 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 and supply concepts which are the core of economy.

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.

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 labor forces are shifting towards the construction industry, textile industry and other unorganized sector causing the scarcity of labor force.

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., Karbi 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.

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.

(Sulaiman, 2017) stated that there is a requirement to improve the quality standard, efficiency and cost-effectiveness of agricultural products. In order to provide dynamism and efficiency into the marketing system large investments are required for the development of post-harvest and cold-chain infrastructure nearer to the farmer's field.

The Scholars after gone through the above review of literature that found that there are various similar study conducted but the said study is not yet done by any scholars so the agriculture marketing system and its problem & prospects in assam are needed. not

3. Objectives of the study

- i. To assess the state of agricultural marketing in the North-Eastern Region in order to identify its issues and future potential.
- ii. To highlight role of the government for the development of agriculture marketing.
- iii. To know the existing government schemes and missions related to agriculture marketing.

4. Methodology

The study is descriptive in nature and secondary source of data has been used in the present study. The secondary data were collected through relevant books, articles in journals, newspapers, Planning Commission Reports, Publications of the Agricultural department of North Eastern States of India. Secondary data compiled by various agencies have been analyzed with the help of tabulation and also using diagram for interpretation of data. Further various websites were visited and extensive data has been collected.

5. Data Analysis and Interpretation

Agricultural Marketing System

Agriculture marketing system is a mechanism that allows goods to reach various locations based on the market. The term refers to the entire range of agricultural supply chain operations. Due to lack of proper implementation of the Market Regulation Act by the State Agricultural Marketing Boards, private traders and big farmers dominate agricultural commodity marketing in the North Eastern States. Assam grows a variety of agricultural crops including paddy, pulses, oilseeds, spices, fibre crops such as jute and cotton and as well as fruits and vegetables.

Marketing of the Agricultural produce in the State is a severe issue for farming sector. Lack of structured marketing facilities, lack of storage infrastructure near the farm, need for money

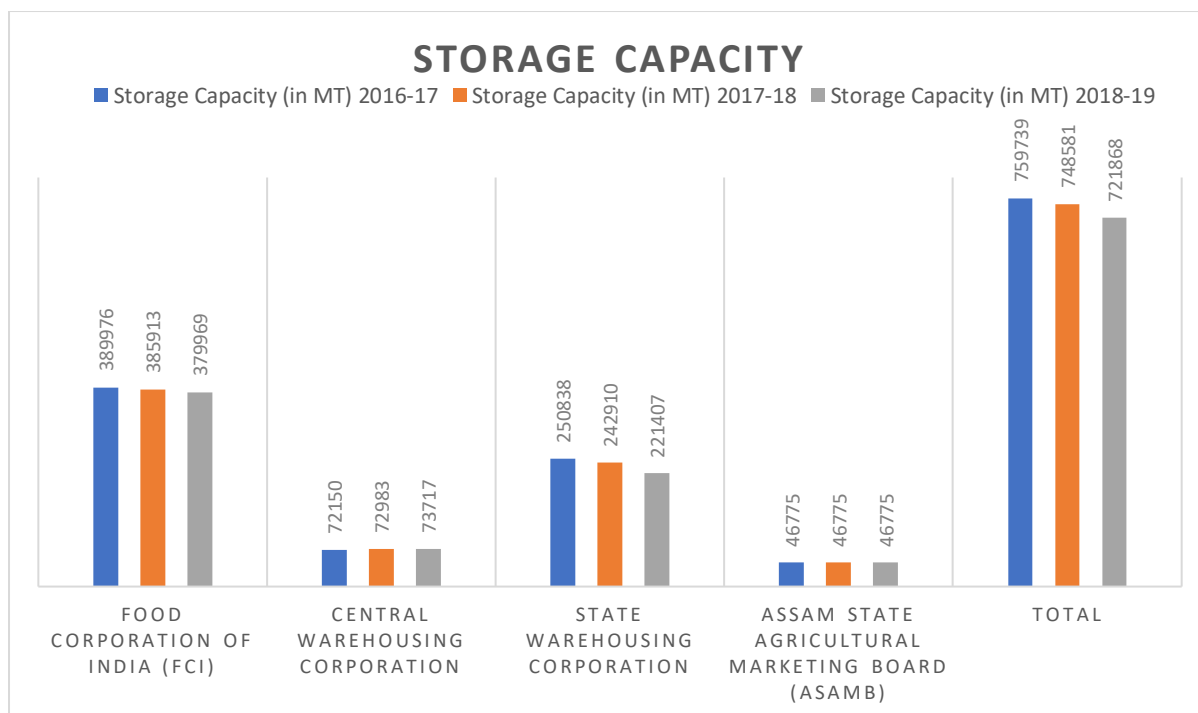
after harvest for repayment of agricultural loan and other factors push farmers to sell their hard-earned produce as soon as possible and at throwaway rates. Keeping farmers' interests in mind, the Government of Assam, in addition to engaging the Assam State Agricultural Marketing Board and FCI for crop acquisition, has developed storage capacity.

Storage Capacity:

Table 1. STORAGE CAPACITY OF AGRICULTURE PRODUCE IN ASSAM

Organisations	Storage Capacity (in MT)		
	2016-17	2017-18	2018-19
Food Corporation of India (FCI)	389976	385913	379969
Central Warehousing Corporation	72150	72983	73717
State Warehousing Corporation	250838	242910	221407
Assam State Agricultural Marketing Board (ASAMB)	46775.00	46775.00	46775.00
Total	759739.00	748581.00	721868.00

Source: Directorate of Agriculture, Assam



Interpretation: As per the above Table no. 1 Storage Capacity of Agriculture produce of Assam for Food Corporation of India is 51.33%, Central Warehousing Corporation is 9.50%, State Warehousing Corporation is 33.02% and Assam State Agricultural Marketing Board is 6.16% in the year 2016-17. Similarly for Food Corporation of India is 51.55%, Central Warehousing Corporation is 9.75%, State Warehousing Corporation is 32.45% and Assam State Agricultural Marketing Board is 6.25% in the year 2017-18 and In the year 2018-19 for Food Corporation of India is 52.64%, Central Warehousing Corporation is 10.21%, State Warehousing Corporation is 30.67% and Assam State Agricultural Marketing Board is 6.48% the stated figure are also diagrammatically represented in the above clustered column chart.

Table 2. Market Processing Facility and Infrastructure developed

Markets and Infrastructure Facility	Nos.
Regulated Market Committees	24
Primary Market Yards	20
Trader’s Shop	143
Auction Platforms/ Retailers Shed	532
Rural Primary Markets	806
Wholesale Markets	405
Organic Market	1
Packaging Room	18
Drying Platform	42
Processing Units	15

Food Parks	13
------------	----

Source: Directorate of Agriculture, Assam

As per the above Table-2 the state currently has 24 Regulated Market Committees, 20 Primary Market Yards, 143 Trader's Shops, 532 Auction Platform/ Retailers Sheds, 806 Rural Primary Markets, 405 Wholesale Markets, One Organic Market, 18 Packaging Rooms, 42 Drying Platforms and 15 Processing Units. AGMARKNET has coverage for Regulated Markets.

Table 3: Cold Storage Facility

Cold Storage	Private Sector	Govt. Sector
Cold Storage	23	3

Source: Directorate of Agriculture, Assam

As per the above Table-3, there are 26 cold storage facilities in the state, with 23 in the private sector and 03 in the government sector.

The Assam State Agricultural Marketing Board has built the 5000 metric tons cold storage facility which is by far the region's largest along with a fruit-processing centre at the food-processing park at Satabari under Kamrup District. Farmers in Kamrup (Metro), Kamrup (Rural), Goalpara, Nalbari, and Barpeta Districts are anticipated to profit from this facility's "chiller" and "freezer" rooms. The Assam State Agriculture Marketing Board provides farmers with transportation on subsidies to help them transport crops to distant markets. The Government of Assam has taken steps to build a three-storied market in Pamohi (Guwahati), a growers consumers market complex in Ulubari (Guwahati), and 11 sale counters for farm product marketing. The Department has also taken the initiative to build market infrastructure, storage facilities, and eliminate transportation bottlenecks. The rural connectivity initiative launched under PMGSY is a significant step toward assisting farmers in transporting their agricultural products to nearby markets. Post-harvest technology and management are important to agricultural value addition. Understanding the potential of Agro & Food Processing for boosting producer value realization and creating new jobs.

Major steps and Schemes Taken to Support Marketing and Post-Harvest Management

1. **Post-Harvest Management:** - Rural farm women have been empowered by training and providing mini processing units of pulses and oil seeds so that they can earn money from home; tie up for the export of Red Bao Paddy to USA; export of pineapple cubes, orange, ginger, and dendrobium orchids to other states and countries; assistance provided to some Self-Help Groups to take up Agri-Horti activities along with post-harvest management.
2. **Women Welfare Scheme:** - Recognizing rural women's role in all aspects of agriculture and farm sector to manufacturing and marketing, the Government of Assam, through the Chief Minister's Vision on Women and Children, 2016, has

placed a specific emphasis on women's SHG's to encourage their participation and economic upliftment.

3. **Set up of a Mini Oil Mill with Packaging Unit:** - The Department of Agriculture, Assam has recommended the establishment of mini oil mills with packaging facilities. The proposal called for the Assam State Agricultural Marketing Board to help market the products. It is also anticipated that oil seed value addition will not only boost oilseed cultivation and production, but will also aid to generate jobs in the production and processing sectors.
4. **National Mission on Oil Seeds and Oil Palm:** - Oil seed output in the state is insufficient. The Agriculture Department has initiated Mini-Mission-I- Development of Vegetable Oilseed Crop, Mini-Mission-II- Development of Palm Oil Plantation, and Mini-Mission-II- Development of Tree-Born Oil Seeds.
5. **Bring Green Revolution to Eastern India Including Assam**
The Central and State Governments have formulated a strategy to achieve the country's intended expansion in the agriculture sector. Several interventions, notably Bringing Green Revolution to Eastern India (BGREI), double cropping, and the distribution of improved seeds, fertilizer and technical equipment have now been implemented. The Government of India views Assam, Bihar, Chhattisgarh, Jharkhand, Odisha, Eastern Uttar Pradesh, and West Bengal as prospective regions for enhancing food grain production and productivity under BGREI. However, the states are hampered by a lack of financing, inadequate extension services, and infrastructure impediments. To address the constraints on priority basis, actions have been taken to improve the seed replacement ratio, ensure appropriate and timely supply of vital inputs, improve infrastructure facilities, and implement other necessary interventions such as bank financing. In Assam, 86 the scheme was launched in 2010-11 as a sub-scheme of RKVY to overcome the constraints limiting the productivity of the State's rice-based cropping system by implementing short-term activities related to technology transfer through rice demonstration in farmer's fields, as well as activities pertaining to the creation of irrigation facilities to maximize agricultural production in a sustainable manner.
6. **Pradhan Mantri Fasal Bima Yojana:-** The Pradhan Mantri Fasal Bima Yojana was introduced in February 2016 to provide farmers with yield insurance. It was created in accordance with the one-nation-one scheme concept by replacing the previous two schemes by incorporating their best features, National Agricultural Insurance Scheme (NAIS) and Modified National Agriculture Insurance Scheme (MNAIS), while eliminating their inherent shortcomings.
7. **Transport Subsidy Scheme 2018-19:** - One of the most important requirements for farmers to be able to sell their produce at profitable markets is affordable transportation. The provision of transportation facilities also helps to reduce the number of middlemen involved in the market chain, ensuring a fair rate to farmers and procurement at a reasonable price for consumers. The State has established the

Agricultural Production Management Group (APMG) to improve agricultural planning and marketing

8. **Scheme for Quality Control and Agmark Grading:** - This strategy was implemented in the State in 1966-67. Agmark is a government-guaranteed symbol of purity. It is entirely voluntary for packers and millers. Agmark laboratories have been constructed under the scheme in Guwahati, Tezpur, Nagaon, Jorhat, Dibrugarh and Silchar. The main objective of the scheme is to promote Agmark grading of commodities such as mustard oil, spices, honey ghee, wheat and so on. To encourage packers and millers to manufacture high-quality goods there are currently 6 District Agmark Laboratories located in Assam.
9. **“One-District One-Product Initiative”** for better marketing and export in Horticulture sector: - The concentration of one product in each district will assist in the transformation of local products through branding and marketing. Through the provision of common infrastructure, incubation centres, training, research and development (R & D, branding, and marketing the initiative aims to strengthen backward and forward linkages. The One District One Product (ODOP) project is being executed by the Directorate General of Foreign Trade (DGFT), Department of Commerce, with the Department for Promotion of Industry and Internal Trade (DPIIT) as a significant stakeholder.
10. **Agri-Market Infrastructure Fund (AMIF):** - A dedicated Agri Market Infrastructure Fund (AMIF) with a corpus of Rs.2000 crore was established with NABARD to provide low-cost funds to state governments for: upgrading rural haats to Gramin Agriculture Markets (GrAMs) , creating an electronic display mechanism, and linking GrAMs with Agriculture Produce Market Committees (APMC), and upgrading 585 e-NAM enabled APMCs.

Major Findings & Recommendations

- Storage and grading are vital agri-business functions that should be strengthened in the region.
- The majority of existing storage capacity is concentrated in major cities with institutions such as State Warehousing Corporations, Marketing Boards, and Apex Cooperative Federations, which is neither accessible nor reasonable to farmers.
- Development of Agricultural Marketing Infrastructure with private sector participation.
- Modernization and improvement of current infrastructure for accreditation, as well as financing for farmers based on warehouse receipts.
- Infrastructure development for agricultural marketing with private sector engagement.
- Better services, such as weighing, testing, financing against stocks, and delivery on a commodities exchange platform, are available to enable depositors to realise a higher price for the products.

- Providing warehouses with the necessary infrastructure for scientific storage.
- Taking up projects under ISAM through local bodies/ APMCs/ Marketing Boards to facilitate the development of farm marketing infrastructure.
- **Rural market operation** -The North Eastern states such as Assam, Meghalaya and Tripura have legislation for agricultural produce marketing, although there are several issues in enforcing the Act at various markets in the states through the regulated market committees. As a result, a huge number of rural markets are unorganised and should be phased into regulation. The management of rural and apex markets should be delegated to democratically elected local bodies, including cooperatives. To promote long term planning and development of marketing institutions, personnel on deputation should be replaced by professionally competent managerial talent.
- **Agriculture output and yield** -Agriculture is the mainstay of the economy in the North-Eastern states, but it has yet to be commercialised. Increased production of cereals, pulses, oilseeds, cash crops, and horticultural goods in the region would result in a bigger value addition, more opportunities for processing and input marketing. There is a need to expand the agricultural production base because current yield levels are much below national averages. It is vital to investigate the potential of transporting farmers from the North Eastern region to other states to learn farming.
- **Increased spending on market research and surveys**- It is necessary to perform agricultural marketing research in order to improve the effectiveness of agricultural marketing. On a regular basis, marketing research in agriculture is conducted. It involves big amount to perform marketing research in order to find genuine and efficient answers for agriculture issues. The government should set up sufficient funds for marketing research and survey.
- **Plantation and Horticulture**- Bringing Technology Mission on Horticulture beneficiaries into the formal credit network to increase investment. Establish Area Development Scheme for vital crops such as ginger, pineapple, banana, lemon and medicinal and aromatic plants and work with banks and entrepreneurs to encourage private investment. Better extension services for farmers to use contemporary technologies and scientific agriculture practices. Provision of infrastructural amenities such as energy, cold storage, processing units, marketing infrastructure and so forth through private sector or PPP investment. It also encourages the use of precision farming for exotic Agri- Horti crops.
- **Processing**- It suggests a two-step strategy for all agricultural and horticultural produce processing. Large commercially operated economically feasible processing complexes in the private sector may be supported for crops such as citrus and pineapple throughout the North Eastern region. Small low-cost processing operations, even with only intermediate value additions, for crops like ginger, papaya, areca nut etc. may be fostered in the region through co-operatives, farmer groups, Non-Governmental Organisations and autonomous district councils, among others.

6. CONCLUSION

Marketing is the heart of practically every developing country's food and agricultural problems. It would be pointless to increase agricultural production and productivity unless a way could be found to transport agricultural produce from the producer's field to the consumer's storeroom at a price that represents fair remuneration to the producers on one hand and the consumers' ability to pay on the other. In this regard, agricultural marketing societies in India provide a formalized platform for selling farmer's agricultural produce at a fair price, as well as a dependable and modern way of competing with private firms that are better placed in terms of technological and financial resources. In the realm of agricultural marketing, cooperatives' involvement has gradually expanded. However, the availability of the foregoing marketing, storing, and processing infrastructures appears to be insufficient to meet the marketing aspects in Assam. Due to the lack of cold storage facilities near the market, farmers are forced to sell their produce at a very low price on the market day. Inadequate availability of processing units/ cold storage/ post harvesting infrastructure such as godowns, warehouses, and the inability of small and marginal farmers to transport their produce to markets where they can fetch a fair market price force farmers to sell their produce to middleman at a lower price. Middlemen and individual merchants control the entire market in other North East States. Middlemen and dealers benefit from the tough geographical terrain and lack of efficient transportation and other basic infrastructure services in rural areas. Primary markets are served in these states, but there is no consistent pattern of organizational and management structure in these markets. Small and marginal farmers lack the financial resources to keep their produce until market values are favorable, resulting in distress sales by these farmers. There has been a perceived need in the country to give the farming community with scientific storage facilities in order to reduce wastage and food deterioration while also allowing it to satisfy its credit requirements without being forced to sell the harvest at a time when prices are low. A rural Godown network will assist small farmers to increase their holding capacity in order to sell their produce at remunerative prices and avoid distress sales. Furthermore, there are numerous cooperative agricultural processing facilities that have the potential to significantly strengthen the Indian economy. Thus, agricultural marketing and Agri -business cooperatives play a significant role in India's overall agricultural development strategy. As a result, marketing cooperative societies are critical to the prosperity of the agricultural community, and the government must take all necessary steps to bring them back to life and enable agriculturists to obtain the best possible prices.

7. REFERENCES

1. Acharya, S.S & Agarwal, N.L(2006) agricultural marketing in India. Oxford & IBH publishing Co. Pvt Ltd, New Delhi.
2. Agricultural Market System - Measurement, Preventive Measures and Solved Example (vedantu.com)

3. Agricultural marketing - Wikipedia
4. Agriculture Business Plan - How to Start Agriculture Business in India (lendingkart.com)
5. Assam gets 5,000-tonne capacity cold storage, the state's largest (aninews.in)
6. Barman, D., Deb, R., & Gupta, J. (2020). A Study On Stress Management In Capfs With Reference To Family Accommodation At Border Outpost Duty. *European Journal of Molecular & Clinical Medicine*, 7(3), 8-16.
7. Dr. Bissa G, Vyas V. Study of Infrastructural Status in Agricultural Marketing, *Indian Journal of Research*. 2014; 4(1):90.
8. Dr. Murugesan SV, Dr. Rajarajan M. Problems and Prospects of Agricultural Marketing, *International Journal of World Research*, 2016, 1.
9. Das, P. P., & Barman, R. D. (2022). AN EMPIRICAL STUDY ON ECOTOURISM AND ITS IMPACT ON LIVELIHOOD WITH REFERENCE TO MANAS NATIONAL PARK. *Ann. For. Res*, 65(1), 7650-7659.
10. Economic Survey, ASSAM 2021-22
11. General Information | NER Databank (nedfi.com)
12. Haloi, D., & Deb Barman, R. (2010). Eco-Tourism in Assam: A Swot Analysis.
13. Kashayp, P & Raut.S.(2006) the rural marketing book, biztantra New Delhi India.
14. Marketing of Agricultural Produce in India: Definition; Role; APMC Act, Model APMC Act, 2003 - Civildaily
15. Northeast India – Wikipedia
16. Northeast India still untouched by green revolution, says Agriculture Production Commissioner - Eastern Mirror (easternmirrornagaland.com)
17. Patowary, B., Das, R. L., Barman, R. D., & Bohra, C. P. (2022). THE PROCESS OF CULTURAL ENTREPRENEURSHIP: A LITERATURE REVIEW. *Journal of Positive School Psychology*, 6(2), 1567-1574.
18. Rajendran, G &Karthikesan, P (2014). Agricultural Marketing in India – An Overview, *Asia Pacific Journal of Research* 1 (17) 159-164
19. Sharma Kanchan Kumari, Agriculture Marketing in India with Special reference to Assam, *International Journal of Multidisciplinary Research and Development*. 2018; 115-119
20. State Focus Paper 2022-23 (NABARD) ASSAM. (nabard.org)
21. Sulaiman, M. (2017). Agricultural marketing in India: issues and challenges. *Asia Pacific Journal of Research*, 1, 110-115.