

## **Role and Significance of Agricultural Marketing in India – An Overview**

**Prof. Dr. J. G. Mulani**

Principal

Shri. Sampatrao Mane Mahavidyalaya Khanapur, Dist – Sangli, MS, India

### **Abstract**

Indian economy mainly revolves around agriculture, animal husbandry, village and cottage industries. Among these, agriculture is the most important of economy growth and development. This seems out of the fact that India is an agricultural economy and it contributes to a large share of national income. At present nearly seventy percent of people earn their livelihood through agricultural and allied activities. The rapid development in agricultural research and technology has led to a substantial increase in the production of agricultural products. Due to this main challenges faced by the Indian farmers are marketing their produce. In general middlemen rather than farmers control the agricultural marketing. Hence, an assurance of remunerative price to the farmers is a prerequisite and it can be given to the farmers by offering them an efficient marketing system. The guiding agricultural marketing system has many defects such as lack of organization among farmers, big chain of middlemen, forced sales, malpractices in the market and inadequate facilities for storing, grading and standardization, multiple charges, lack of market information. In case of small and marginal farmers, these problems form the main bottleneck due to their poor with holding capacity. This paper focus role and significance of agricultural marketing which is important for Indian economy.

**Keywords:** Agricultural, Marketing, Economic, Development. Introduction

Marketing is of tremendous significance in the economy of a country. Efficient organization the vital to the health and well-being of the society. The whole programmers of production individually or collectively with all national effort in planning would be of no avail, if it is not followed by same and sound marketing policy. In the absence of an efficient marketing system the farmers would be at the mercy of unscrupulous intermediaries. In order to weed out the malpractices in raisin marketing through private agencies, the government has interfered to regulate the marketing activities. An accepted precept of the government's policy towards the development of agriculture has been the establishment of regulated or centralized markets at the primary level. A private, local and terminal markets where farmers used to sell their produce, constituted the first and the most important link in the long chain of marketing of agricultural goods. The number of malpractices such as deceptive weights and measures, unjust deductions and unreasonably high rates of commission and other market charges prevailing in there markets used to take away a considerable part of the price paid by the buyers. This was placing the producer-sellers at a disadvantage as against the relatively stronger members of the trading class. Therefore, regulated markets have been developed to improve those markets keeping in mind the need of fair competitive conditions and of strong bargaining power of the farmers. The main object of these regulated markets, has been to regulate the sale and purchase of agricultural products and to create conditions for a fair competition with a view of ensuring a fair deal to the farmer in marketing his produce. There was no problem of agricultural marketing in ancient India as the Indian villages were self-sufficient, self- dependent and self-contained isolate units. During the regionof the Mughals the process of marketing was based on the individual efforts of peasants to the same extent as that of today. In the 13<sup>th</sup> century grain dealers of Northern India used to buy grain in the villages and sell among the villagers what they had purchased in the towns. During the regime of Aurangzeb, peasants after keeping some quantity of grain for home consumption and seedused to sell the rest. Thus the system of marketing prevalent in those times was not very different from that obtaining in modern times. Marketing is the crux of all our agricultural problems as the distribution of commodities is as important as their production.

### **Objectives Of The Study**

- To Study history of agricultural marketing in India.
- To Study role and significance of agricultural marketing.

**Research Methodology –**

The study is based on secondary data only. The secondary data collected through published library resources such as books, magazines and news papers.

**Concept And Definition of Marketing**

The term agricultural marketing is composed of two words- agriculture and marketing. Agriculture, in the broadest sense, means activities aims at the use of natural resources for human welfare, i.e. it includes all the primary activities of production. But, generally, it is used to mean growing and or raising moving the goods from the point of production to the point of consumption. It includes all activities involved in the creation of time, place, form and possession utility.

Philip Kotler has defined marketing as a human activity directed at satisfying the needs and wants through exchange process. American Marketing Association defined marketing as the performance of business activities that directs the flow of goods and services from producers to users.

According to Thomson the study of agricultural marketing comprises all the operations, and the agencies conducting them, involved in the movement of farm- produced foods, raw materials and their derivatives, such as textiles, from the farms to the final consumers, and the effects of such operations on farmers, middlemen and consumers. This definition does not include the input side of agriculture.

Agricultural marketing system in developing countries, including India can be understood to compose of two major sub-systems viz., product marketing and input (factor) marketing. The actors in the product marketing sub-system include farmers, village/primary traders, wholesalers, processors, importers, exporters, marketing cooperatives, regulated market committees and retailers. The input sub-system includes input manufactures, distributors, related associations, importers, exporters and others who make available various farm production inputs to the farmers.

Agricultural marketing is the study of all the activities, agencies and policies involved in the procurement of farm inputs by the farmers and the movement of agricultural products from the farms to the consumers. The agricultural marketing system is a link between the farm and the non-farm sectors. It includes the organization of agricultural raw materials supply to processing industries, the assessment of demand for farm inputs and raw materials, and the policy relating to the marketing of farm products and inputs.

According to the National Commission on Agriculture (XII Report, 1976), agricultural marketing aims 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.

Agricultural marketing, therefore, can be defined as comprising of sell activities involved in supply of farm inputs to the farmers and movements of agricultural products from the farms to the consumers. Agricultural marketing system includes the assessment of demand for farm-inputs and their supply, post-harvest handling of farm products, performance of various activities required in transferring farm products from farm gate to processing industries ultimate consumers, assessment of demand for farm products and public policies and programmers relating to the pricing, handling, and purchase and sale of farm inputs and agricultural products.

A decision on an appropriate strategy, the evolution of a proper policy and a choice of policy instruments calls for a continual flow of advice, information and assessment of the existing system. Every system generates impulses as a result of environmental changes. These impulses have to be observed, recorded, analyses and interpreted for the benefit of the policy-makers.

A study of the agricultural marketing system is necessary for an understanding of the

complexities, involved and the identification of bottlenecks with a view to providing efficient services in the transfer of farm products and inputs from producers to consumers. An efficient marketing system minimizes costs, and benefits all the sections of the society.

The expectations from the system vary from groups to groups and generally the objectives are in conflict. The efficiency and success of the system depends on how best these conflicting objectives are reconciled.

Regulated markets work under standard rules and regulations. It has an organized character in all aspects. The regulations usually deal with constitution, organization, establishment of markets and working of the market, trading practice, marketing service, standardization and grading and such other important aspects of marketing of goods.

### **Role and Significance of Agricultural Marketing :**

In the agriculture oriented developing countries like India, agricultural marketing plays important role in a sustaining the tempo of rural an economic development. The development of an efficient marketing system is important in ensuring that essential commodities reach different classes of consumers. Marketing is not only an economic link between the producers and consumers, it also maintains a balance between demand and supply. The objectives of price stability and equitable distribution goods and services cannot be achieved without the support of an efficient marketing system. Role and significance of agricultural marketing in Indian economy is as follows.

- Agricultural Marketing is one of the manifold problems, which has direct bearing upon prosperity of the cultivators, as India is an agricultural country and about 70 percent of its population depends on agriculture.
- Most of the total cultivated area (about 76 percent) under food grains and pulses. Approximately 33 percent of the output of food grains, pulses and early all of the productions of cash crops like cotton, sugarcane, oilseeds etc. are marketed as they remain surplus after meeting the consumption needs of the farmers. Development of technology, quick means of communication and transportation has introduced specialization in agriculture.
- Agriculture supplies raw materials to various industries and therefore, marketing of such commercial crops like cotton, sugarcane, oilseeds, etc. assumes greater importance.
- With the introduction of green revolution agricultural production in general and food grains in particular has substantially increased. Agriculture once looked as a substance sector is slowly changing of a surplus and business proposition.
- The interaction among producers, market functionaries, consumers and government that determine the cost of marketing and sharing of this cost among the various participants
- The producer, middleman and consumer look upon the marketing process from their own individual point of view. The producer is primarily concerned with selling his products.
- An increase in the efficiency of the marketing process, which results in lower costs of distribution at lower prices of consumers, really brings about a sincere in the national income.
- A reduction in the cost of marketing is a direct benefit to the society.
- Marketing process brings a new varieties, qualities and beneficial goods to consumers and therefore marketing acts as a line between production and consumption.
- Scientific and systematic marketing stabilizes the price level.
- An improved marketing system will stimulate the growth of number of agro based industries mainly in the field of processing.
- A marketing system can become a direct source of new technical knowledge and induce farmers to adopt dates scientific methods of cultivation.

**Conclusion –**

Agricultural marketing plays an important role not only in stimulation production and consumption, but also in accelerating the pace of economic development. The agriculture marketing system plays a dual role in economic development in countries whose resources are primarily agriculture. Increasing demands of money with which to purchase other goods leads to increasing sensitivity to relative prices on the part of the producers, and specialization in the cultivation of those crops on which the return are the greatest, subject to socio-cultural, ecological and economic constraints

**References :**

1. Datta, Ruddar and sundharam (2011), Indian Economy S. Chand and company Ltd. New Delhi.
2. Dr. Sinha K.P., (2009), Agribusiness Management, A.K. Publications New Delhi.
3. Jhingan M. L. (2004) Advanced Economic Theory Vrinda Publications (P) Ltd New Delhi.
4. Dr. Seetha D and Naik (2014), Asian Journal Of Research In Marketing Vol.3
5. Dr. Shrma Ranjana (2014), Rural Marketing in India – Opportunities and Challenges. ZIMBER Vol- 4
6. [www.indiaagronet.com](http://www.indiaagronet.com)