

From Farmer to Consumer- Agricultural Marketing and Management System in India

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Abstract— This paper provides a glimpse into the dynamic world of agriculture marketing, emphasizing the need for stakeholders to address challenges and seize opportunities while embracing innovative solutions. To ensure food security and sustainable economic growth, it is imperative to continue exploring and implementing strategies that enhance the efficiency, inclusivity, and resilience of agriculture marketing systems. This research paper is relies mainly on secondary data sources for its investigation. The necessary secondary data will primarily be gathered from scholarly repositories, official records, literary publications, periodicals, government reports, the Economic Survey of India, the Agriculture Census, and similar reputable references. The various tools were also used like percentage, pie charts and tables for clear understanding.

Keywords— Agriculture Marketing Challenges, Innovative Solutions, Food Security, Secondary Data Sources, Economic Growth

I. INTRODUCTION

Approximately 55% of India's populace relies on agriculture as their primary source of livelihood, positioning the nation among the foremost agricultural powerhouses globally. India claims the title of the world's largest producer in several key categories, including milk, pulses, and spices. Additionally, India boasts the largest cultivation areas for wheat, rice, cotton, and sustains the most extensive cattle, particularly buffaloes. The country's agricultural competence extends to the production of wheat, rice, tea, sugar and vegetables, ranking second in the world in these areas.

Notably, nearly half of India's labour force is engaged in the agriculture sector, which encompasses the second-largest expanse of agricultural land worldwide. Consequently, farmers play an indispensable role within an industry that sustains our global food supply

Agriculture Marketing:

Agricultural marketing serves as a vital link between farmers and consumers in the global food supply

chain. It is a complicated system with many facets that is impacted by a number of variables, such as customer preferences, market dynamics, legislation, and technology. This essay examines the difficulties that agricultural marketing faces and suggests solutions to improve its effectiveness, sustainability, and inclusivity. The analysis takes into account both conventional and contemporary marketing strategies, highlighting the significance of innovation and adaptation in the agriculture industry. India's agriculture marketing sector is the backbone of the country's economy, employing a significant portion of its population and contributing substantially to its GDP. However, it has long been plagued by challenges such as limited infrastructure, price volatility, and the dominance of intermediaries. In recent years, there has been a growing recognition of the need to modernize and reform this crucial sector. This essay explores the challenges faced by India's agriculture marketing sector and the opportunities for transformation.

India's rapid population expansion and rising income levels in rural and urban areas are driving the agricultural industry. This is supported by the growing adoption of cutting-edge techniques like block chain, AI, drones, and remote sensing technologies and other technical tools, as well as the release of various e-farming applications such as e-NAM, e-PoS, AGMARK.net etc., which are more convenient for farmers and traders it also boosts the demand of agricultural products.

How Agriculture Market Works in India?

The agriculture market in India is a complex and diverse system that involves various stakeholders, including farmers, traders, government agencies, and consumers. The functioning of the agricultural market in India can be described in the following key aspects:

Crop Production: India is predominantly an agrarian economy, with a large percentage of its population engaged in agriculture. Farmers cultivate a wide variety of crops, including rice, wheat, pulses, sugarcane, cotton, and many others. Crop production is highly dependent on monsoons, which can be erratic and affect yields.

Agricultural Marketing: The marketing of agricultural

products in India is primarily governed by the Agricultural Produce Market Committee (APMC) Act, which varies from state to state. Under the APMC Act, markets, also known as mandis, are established to facilitate the purchase and sale of agricultural produce. These mandis are typically regulated by state governments and play a central role in the agricultural marketing system.

Farmer Markets: In recent years, there has been a move toward creating alternative marketing channels, such as farmer markets and direct-to-consumer sales. These initiatives allow farmers to sell their produce directly to consumers, reducing the need for intermediaries and potentially increasing their profits.

Wholesale Markets: Agricultural produce is typically brought to wholesale markets or mandis, where traders and commission agents purchase the products from farmers. These markets are often well-established and provide facilities for sorting, grading, and packaging of agricultural produce.

Price Discovery: Prices of agricultural products are

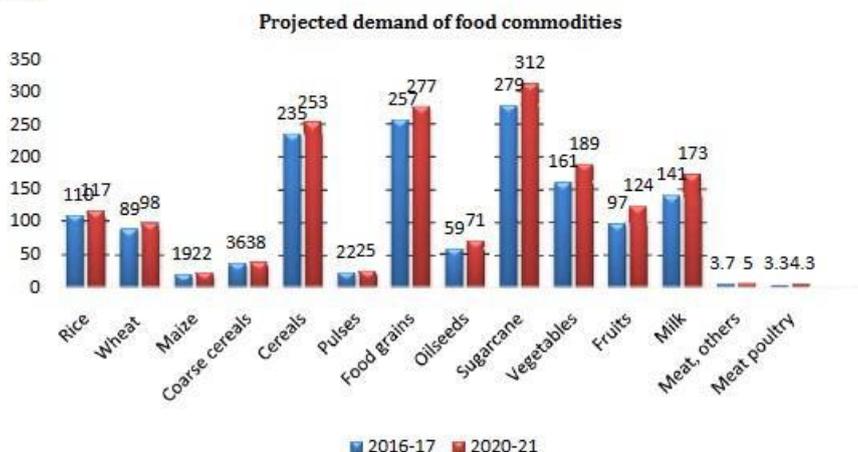
determined through a process of open auction in the wholesale markets. Prices can be influenced by various factors, including supply and demand dynamics, quality of produce, and government interventions.

Government Interventions: The Indian government plays a significant role in agricultural markets through various interventions, including minimum support prices (MSPs) for key crops, procurement operations, subsidies, and crop insurance schemes. These interventions are aimed at stabilizing prices and supporting farmers' income.

Storage and Transportation: Proper storage and transportation facilities are crucial for preserving the quality of agricultural produce. Inadequate infrastructure can lead to post-harvest losses and affect the availability of produce in the market.

Export and Import: India is a significant player in global agriculture, both as an exporter and importer of agricultural products. Trade policies and regulations have a significant impact on the agricultural market, as they affect the supply and demand dynamics of various commodities.

1 Graph: Projected demand of Food Commodities in India during 2020-21 (in million tons)



Source: Indiatat, <https://www.indiatat.com/table/agriculture-data/2/agricultural-marketing/14278/996183/data.aspx>

Marketing functions

Marketing consist of the transfer of ownership of the products from the farmers/ producers to the consumers. The following functions of marketing classified below-

(1) Function of transfer of Ownership	(a) Selling (b) Buying (c) Demand creation and (d) Price determination
(2) Function of Physical Movement	(a) Transportation and (b) Storage (c) Function of changing the form of the product (a) Standardization and grading (b) Packaging
(3) Facilitating Function	(a) Market financing (b) Risk bearing and (c) Market information

Challenges in Agricultural Marketing:

1. Information Asymmetry One of the major challenges in agricultural marketing is information

asymmetry. Farmers often lack access to market information, which leads to uncertainty and reduces their ability to make informed decisions regarding crop selection, pricing, and market entry. In contrast,

middlemen and buyers often exploit this information gap, leading to unfair pricing and income inequality among producers.

2. **Infrastructure and Logistics** Inadequate transportation and storage infrastructure in many regions hinder the timely and efficient movement of agricultural products. Poor infrastructure can result in post-harvest losses, reduced product quality, and higher transaction costs. This directly affects the income of small-scale farmers and limits their market access.

3. **Price Volatility** Agricultural markets are inherently volatile, influenced by factors such as weather conditions, market demand, and geopolitical events. Price fluctuations can have devastating effects on both farmers and consumers. Farmers need strategies to cope with price volatility and secure a stable income.

4. **Market Access** many small-scale farmers, especially in remote or marginalized areas, face challenges in accessing markets. Geographic isolation and inadequate market linkages restrict their ability to sell their products at competitive prices. This often results in economic inequality and limited agricultural development in such regions.

5. **Consumer Preferences** Consumer preferences are continually evolving, with increasing emphasis on factors like organic production, sustainability, and food safety. Producers need to adapt to these changing preferences to remain competitive and access premium markets.

Strategies for Enhancing Agricultural Marketing:

1. **Information Dissemination** Efforts should be made to bridge the information gap by establishing market information systems that provide real-time data on prices, demand, and market trends. Mobile technology and digital platforms can be leveraged to disseminate this information to farmers, enabling them to make more informed decisions.

2. **Infrastructure Development** Investments in transportation, storage, and processing infrastructure are crucial for reducing post-harvest losses and improving the efficiency of agricultural marketing. Public-private partnerships and government initiatives can play a significant role in enhancing infrastructure.

3. **Risk Management** to address price volatility, farmers should be encouraged to adopt risk management strategies such as crop insurance, futures markets, and diversification of agricultural activities. These measures can help stabilize income and protect against market

fluctuations.

4. **Market Linkages** Efforts to improve market access for small-scale farmers include the establishment of farmer cooperatives, contract farming, and the development of rural roads and transportation networks. These measures can help connect farmers with larger markets and reduce dependency on middlemen.

5. **Sustainable Practices** promoting sustainable and environmentally friendly agricultural practices aligns with evolving consumer preferences and can open up new markets for producers. Certification programs and sustainable agriculture initiatives can help farmers meet these demands.

Promoting agriculture marketing is essential for the growth and sustainability of the agricultural sector. Effective marketing strategies can help farmers and agribusinesses access larger markets, increase their income, and contribute to food security. Here are some key steps and strategies to promote agriculture marketing:

Market Research: Understand the local and global market demand for various agricultural products. Identify trends, consumer preferences, and potential niches. This knowledge will inform your marketing strategies.

Quality Assurance: Ensure the quality and safety of your products. Invest in good agricultural practices and compliance with relevant food safety standards. Quality products are more likely to find favor in the market.

Diversification: Diversify your product range. Explore different crops and livestock to reduce risks and meet a broader range of consumer needs.

Branding and Packaging: Develop a strong brand for your products. Effective packaging and branding can make your products more attractive and help them stand out in the market.

Value Addition: Consider adding value to your products through processing. For example, turning fruits into jams or vegetables into frozen foods can increase their market value.

Market Access: Establish reliable channels for selling your products, such as local markets, retailers, restaurants, or export markets. Consider e-commerce and online marketplaces for wider reach.

Networking: Build relationships with other farmers, agricultural associations, and market intermediaries. Networking can provide valuable information, partnerships, and market access.

Market Information Systems: Access real-time market information. Stay informed about market prices, demand, and supply trends. Government agencies, agricultural

extensions, and technology platforms can provide such data.

Training and Capacity Building: Invest in training and capacity building for farmers and agribusinesses. Equip them with marketing and business skills to help them effectively navigate the market.

Government Support: Advocate for government policies that support agriculture marketing, including infrastructure development (roads, storage facilities, and cold chains), subsidies, and incentives for agribusinesses.

Promotion and Advertising: Promote your products through various marketing channels, including social media, local events, and advertising. Educate consumers about the benefits of your products.

Certifications and Standards: Acquire relevant certifications like organic, fair trade, or other specialty labels to attract environmentally and socially conscious consumers.

Cooperatives and Associations: Join or establish agricultural cooperatives or associations to collectively market products, pool resources, and negotiate better deals with buyers.

Customer Feedback: It is important to take customer feedback to help in enhancing your products and services in order to meet their needs and demands.

Market Timing: Plan when you are planting and harvesting based on market demand to avoid gluts and low prices.

Risk Management: Implement risk management strategies, such as crop insurance, to protect against unforeseen market disruptions.

Environmental Sustainability: Emphasize sustainable farming practices and highlight your commitment to environmental responsibility, as this can attract environmentally conscious consumers.

Education and Awareness: Conduct workshops, seminars, and outreach programs to educate farmers and the community about the importance of agriculture marketing.

II. CONCLUSION

In conclusion, agriculture marketing is a critical component of the agricultural sector that plays a pivotal role in connecting farmers with consumers, ensuring food security, and promoting economic development. This research has explored various aspects of agriculture marketing, from its historical evolution to contemporary challenges and opportunities. Several key findings and insights can be summarized as follows:

Evolution of Agriculture Marketing Challenges in

Agriculture Marketing Role of Technology

Government Policies and Regulations Farmers' Cooperatives

Globalization and Trade Sustainable Agriculture Marketing Resilience in Agriculture Marketing

Agriculture marketing is a complex and dynamic area that affects global economic stability, food supply, and farmer lives. Even though there are obstacles to overcome, creative approaches like adopting new technologies, changing laws, and implementing sustainable practices present viable ways to raise the efficacy and efficiency of agricultural marketing. In order to improve agricultural sustainability and food security in the coming years, policymakers, industry stakeholders, and researchers should work together to address the difficulties that have been identified and take advantage of the potential in this crucial sector.

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