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A STUDY OF COMMERCIALIZATION OF AGRICULTURE IN INDIA

Dr. Ashok Pawar	Associate Prof . Dept of Economics Dr.Babasaheb Ambedkar Marathwada University Aurangabad
Sukeshni Jadhav	Research Student, Dept of Economics Dr.Babasaheb Ambedkar Marathwada University Aurangabad
Indal Jadhao	Research Student, Dept of Economics Dr.Babasaheb Ambedkar Marathwada University Aurangabad
Savita Kulkarni	Research Student, Dept of Economics Dr.Babasaheb Ambedkar Marathwada University Aurangabad

ABSTRACT

In India commercialization of agriculture as a process in which farmers produce primarily for sale in distant markets, rather than meeting only their household need. Commercialization of agriculture, however, increases employment opportunities and income of the farmers. In the last two decades the ratio under cash crops has increased, especially fruits and vegetables. traditionally India has been a producer of cash crops of cotton, tobacco and sugarcane. Marketing of agriculture produce has become important with increased commercializtion of agriculture and new technologies and systems, like spot exchanges are helping the farmer getting better deal for their produce.

KEYWORDS : National manufacture competitivness programme schemes under X1 plan, scheme of micro finance programme, National food security mission

INTRODUCTION

Agriculture is the basic Industry of India Agriculture consists of farming and allied activates of agriculture viz. horticulture, floriculture, sericulture, pisculture, diary farming, popurlaty farming, piggeries and the like. Even in globalized India, majority of the population depends on agriculture.

Processing of agricultural produce is an important aspect of commercialization in agriculture value addition of the agricultural produce can fetch higher price to the producer presently processing of fruits and vegetables is only 2% in India in comparison to 80% in USA an Malaysia 78% in Philippines, 70% in France and Brazil, 40% n china and 30% in Thailand food proc essing sector is an important segment of the economy constituting a share of around 8 – 10% of grass domestic products (GDP) in agriculture and manufacturing sector.

*Author working as a Associate Professor and other Research Students

Dept of Economic Dr. Babasaheb Ambedkar Marathwada University, Aurangabad. Email:- pawarashok40@gmail.com Mob. No. 09421758357

Agriculture need to be commercialised to make it profitable so that it can attract people. Technology and high revenue could make agriculture attractive to the younger generation. Presetly, most of the farmers are doing subsistence farming which hardly erns them enough to meet the requirements of their family. There is need to convert farmng from subsistence to commercial so that people thriving on it could have surplus money for a secured and decent life. Though share of agriculture to overall GDP in India has come down to 14% still 66.2% of rural males and 81.6% of rural females are engaged in agriculture as cultivators or labors.

COMMERCIALISATION OF AGRICULTURE

What is commercialisation of Agriculture?

Commercialisation results in commercially vsable three dimensional approach is essential to make agriculture as a profitable venture.

- Remunerative price for agricultural
- Easy market ability to agricultural produce.
- Risk Minimization to motivate the farming community.

By understanding he significance of agriculture and the need for commercializing Indian agriculture, one may raise a question how commercialisation of agriculture is possible and feasible?

In order to find a practicable solution, the author approached farmers, officilas of the department of agriculture, bankers and merchants dealing in agriculture produce.

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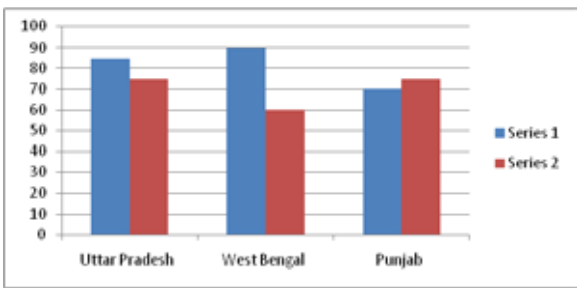
The pints mentioned above are responsibility make agriculture a dismal profession in the mind so younger population commercialisation is the only way to make agriculture a rewarding activity.

PRESENT STATE OF AGRICULTURAL MARKETING IN INDIA

There are many ways by which the farmers may dispose of his surplus produce; major ways are as follows.

Farmers may sell their surplus agricultural produce to the village money lender cum-trader, who may but it either for self consumption or as an agent of a bigger merchant of the neighboring "mandi" towns.

AGRICULTURE ESTIMATE



Sours: - Present State of Agricultural marketing in India

According to an estimate 85% of wheat, 75% of oil seeds in U.P. 90% of Late in West Bengal and 60% of wheat, 70% of oil seeds and 35% of cotton in Punjab are sold by the farmers in the villages themselves often the money lenders act as a commission agents of the wholesale traders.

Important method used for disposing surplus agriculture produce is through the mandies or whlesales market in small and large towns. the Mandi many be located at a distance of several miles and therefore farmes have to make special efforts to carry his produce to the mandies. In the mandi, there are brokers or dalals who help the farmers to dispose of their produce to the wholesalers known as "Arhytiyas" The wholesalers amy dispose of the agricultural produce which they have purchased from the farmers to the retailers, in case of cotton to the cotton grinning factories and in teh case of food grains like wheat, he sells to the flour mills or to the retailers.

Facilities Needed for Agricultural Marketing

In order to ensure that agriculture marketing reapes the desred results the farmer should enjoy certain basic facilities.

- He should have proper facilities for storing his goods
- He should be able to vast for times when he could gets better prices for his produce and not dispose of his stocks immediately after the harvest when the prices are very low.
- The Number of intermediaries should be as small as possible, so that the middlemain's profit5s are reduced. the increases the returns to the farmers.
- He should have adequate and cheap transport facilities which could enable him to take his surplus produce to the mandi rather than dispose it of in the village itself to the village money lander cum merchant at low prices.

Defects of Agriculture Marketing in India

Agricultural marketing needs to come a long way an dgrow before it can meet the objective

The average farmer is so poor an indebted that he has no capacity to wait for better prices he is forced to sell his output to the money lander or to the trader so as to clear his debts.

Transport facilities are highely inadequate in India only a samll number of villages are joined by railways and pucca raods to mandies. produce has to be carrried on slow moving transport vehicles like bullocks, cars.

Even now the number of unregulated markets in the country is sbustantially large. Arhatyas and brokers, taking advatage of the ignorance, and illiterarcy of the farmers, use of unfair means to heat them the farmers are required to py arhat (pledging charge) to the arhityas "tulait (weight charge) for weighing the proce, "palledari" to unload the bullock carts and for doing other miscellaneous types of allied works jarda for impurities in the produce, and a number of undefined and unspecified charges.

The Chain of middlemen in the agriculture marketing is so large that the share of farmers is reduced substantially.

For a instance study, that farmers obtain onl about 53% of the price fo rice 31% being the share fo middlemen in case of vegetables and fruits the share was even less, 39% in the farmer case and 34% in the latter. The ashare of middlemen in the case of vegetables was 29.5% and in case of fruits was 46.5% some of the intermediaries in the agricultural marketing system are village traders, kutcha archatiyas, pucca arhtiyas, brokers, whlesalers retailers, money lender etc.

IMPACT OF AGRI - COMMERCIALISATION

In India, agriculture is always considered as the mainstay of the large number of population. It directly or indirectly contributes faily to the livelihood of the rural masses as a whole. Agricultural products are mainly divided as food grains and non-food grains food gains consists of rice, pulses, cereals, wheat etc.

From the data it was clear that the production of both food grins and non food grains increased from years after years. during the 1950s and 1960s the production was sufficient to meet self consumptiion and after that production is not only meant for consumption but also for market during 1950-51 food grins production was only 50.82 million tonnes and it was increased as 255.36 million tonnes in 2012-13.

The production of pulses increased form 8.41 to 18.45 million tonnes oil seeds increased from 5.16 million tonners to 31.01 million tonnes.

Sugar cane increasef from 57.05 million tonnes to 338.96 million tonnes. All these data showns that there was a steady increase in the production of food grains to non-food grains production.

Production of Major Agricultural Crops (Million Tonnes)

Sr. No.	1	2	3	4	5	6	7
Cros	Food Grains	Pulses	Oil Seeds	Cotton	Jate Mesta	Sugar Cane	Tabacco
1950-51	50.82	8.41	5.16	3.04	3.31	57.05	0.26
1960-61	82.02	12.70	6.98	5.60	5.26	110.00	0.31
1970-71	108.42	11.82	9.63	4.76	6.19	126.37	0.36
1980-81	129.59	1063	9.37	9.37	8.16	154.25	0.48
1990-91	176.39	14.26	18.61	9.84	9.23	241.05	0.56
2000-01	196.81	11.08	18.44	9.52	10.56	10.56	0.34
2010-11	244.49	18.24	32.48	33.00	10.62	342.38	0.88
2011-12	259.99	17.09	29.80	35.20	11.40	361.04	0.82
2012-13	255.36	18.45	31.01	34.00	11.30	338.96	--

Source : Agricultural Statistics (2013)

MARING A FARMER AN ENTERPRENEUR

In a country where vast majority of the population is dependent on agriculture directly or indirectly, the development of agro based industries is of immense importance. Today when our farmers is unable to make both ends meet, making an agriculturist into an entrepreneur can create huge income generating opportunities it offers opportunities for becoming autonomous income generating units and thus becoming job providers than job seekers.

The Agri clinics and Agribusiness centers is also a noble initiative of the government of india where young agriculture professional after getting training from the recognized Nobal Training institutes located all over the country can set up their own income generating units for this they are financially supported by the Banks.

➢ The Ministry of micro small and medium enterprises has a number of programmes to help the entrepreneurs and those who own small businesses.

- National Institute for Entrepreneurship and small business development (NIESBUD)
- National Institute for micro, small and medium Enterprises (NI-MSME)
- India Institute of Entrepreneurship (IIE)
- Development commissioner (DC-MSME)

The Ministry of MSME encourages and honor innovation and enterprise.

➢ Different shhemes for promotion of rurla based Industires.
- National manufacturing competitiveness programmes (NMCP) schemes under X1 Plan.
- Micro small enterprises cluster development programmes (MSE-CDP)

➢ Credit linked capital subsidy scheme for technology up gradation
➢ Credit Guarantee scheme
➢ 150 9000/150 14001 gentrification reimbursement schemes.
➢ Scheme of micro finance programme

MEASUES TO MAKE AGRICULTURE PROFITABLE

The various measures taken for quality improvement and availability of essential factors like fertilizers, seeks electricity and irrigation facilities for agriculture in order to make it a profitable business include the following.

The Government is implement many mission/ schemes such as Rashtriya Krishi Vikas ojana (RKUY) National food security mission (NFSM), Mission for Intergated Development of Horticulture (MIDH National Mission on oil seeds and oil plam (NMOOP) Grameen Bhudaren Yojana etc.

For raising investament in agriculture. In addition, government has issued a framework for public private partnership for integrated Agriculture Development (PPPLAD) for using RKVY allocation for bringing greater association of Private sector in agriculture development projects in the states.

To provide high quality seeds and fertilizers to farmers details of various missions, schemes and projects is a follows.

- Mission for integrated development of horticulture (MIDH)
- Under the sub-mission on seeds and planting materials (SMSP) under National mission on Agricultural Extension and Technology (NMAET)
- The Krishi Vijauna Kendras (KVKS)
- Under the National Mission on oilseeds and oil plam (NMOOP)
- Under the Natioan food security mission (NFSM)
- Fertilizer (control) order 1985.

CONCLUSION

Commercialization is the need of the hour, increased rate of commercialization can make agriculture sefl sufficient and sustainable commercialization resulted in crop diversification mechanization, change in crop mix and also increased the use of land size etc. commercialization in a favorable have of non agricultural food grains.

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