



Opportunities & Challenges for Agriculture Marketing

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Agriculture Market, APMCs, Agriculture Production, Rural development

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ABSTRACT *The increasing development of agricultural production has brought in its significance. Agriculture sector should face new challenges in terms of finding markets for the increased production. In some rural area they don't find market to sell their product. There is an inadequate information regarding price for their product. The issue of agriculture and agricultural marketing is dealt with both by the state as well as the central government in the country. Challenges and opportunities that the global markets offer in the liberalized trade regime are also to be addressed. For the farming community to benefit from the new global market access opportunities, the internal agricultural marketing system in the country needs to be integrated and strengthened. Agricultural marketing reforms and the creation of marketing infrastructure has therefore been a prime concern of the government. There is a need to expand all the services that will develop agricultural marketing, relating to marketing system improvement, strengthening of marketing infrastructure, investment needs, possible sources of funds including that from the private sector, improvement in marketing information system using ICT, human resource development in agricultural marketing, and measures needed for promotion of exports.*

INTRODUCTION:

Agriculture is an important sector in contributing more revenue to the Indian Economy. With the greater importance agriculturist should have good marketing facilities as economy adopt new policies. Rural Development is defined as balancing the rural and urban areas with the healthy competition among those which are results in nation's development. Rural development which much more implies on small farmers agricultural progress, encompasses efforts to raise both farm and non-farm rural real incomes through job creation, rural industrialization, and the increased provision of education, health, nutrition, social and welfare services. The increasing development of agricultural production has brought in its significance. Agriculture sector should face new challenges in terms of finding markets for the increased production. In some rural area they don't find market to sell their product. There is an inadequate information regarding price for their product. The issue of agriculture and agricultural marketing is dealt with both by the state as well as the central government in the country. Starting from 1951, various Five-Year Plans laid stress on development of markets, on-farm and off-farm storage structures related to facilities for standardization and grading, packaging, transportation, etc. Most agricultural commodity markets generally operate under the normal forces of demand and supply. The organized marketing provides opportunities to agricultural commodities in the country through a network of regulated markets.

REGULATION ON AGRICULTURAL MARKETS

The rationale of state regulation of agricultural markets was to protect farmers from the exploitation of intermediaries and traders. It also aimed to ensure better prices and timely payment for their produce. After some years these markets have though acquired the status of restrictive and monopolistic markets, providing no help in direct and free marketing, organized retailing and smooth raw material supplies to agro-industries. The exporters, processors and retail chain operators cannot procure directly from the farmers as the produce is required to be channelized through regulated markets and licensed traders, which are supply chain management. There is, in the process, an enormous increase in the cost of marketing and farmers end up getting a low price for their produce. Monopolistic practices and modalities of the state-controlled markets have prevented private investment in the sector.

AGRICULTURAL PRODUCE MARKETING COMMITTEES (APMCs)

The role of APMCs in India is very important one in giving opportunities to rural farmers to sell their Agri-products at good prices. To achieve an efficient system of buying and selling of agricultural commodities, most of the state governments and union territories have enacted several legislations to provide for regulation of the Agricultural Produce Markets. The basic purpose in the setting up of a network of physical markets has been to ensure reasonable gains to the farmers by creating a market environment, where there is fair play of supply and demand forces. To regulate market practices and to attain transparency in transactions there is need of APMCs. With growing agricultural production, the number of regulated markets has also been increasing in the country. There were 286 regulated markets in the country at the end of 1950; their number has increased to 7157 by 2010, this shows the positive sign to Agriculture development. The purpose of a regulated market is to eliminate unhealthy market practices, to reduce marketing charges and to interests of farmers. To facilitate this all the state Agricultural Produce Marketing Act for the establishment of regulated markets.

OPPORTUNITIES TO RURAL FARMER IN AGRICULTURE MARKETING:

With the regulation on Agri-market government provided to rural farmer by such facilities like Infrastructure development, private sector intervention, and improvement in marketing information system using ICT, human resource development in agricultural marketing, and measures needed for promotion of exports.

The Terminal Markets: this scheme introduced to promote modern terminal markets for fruits, vegetables and other perishables in important urban centres in India.

The Marketing Extension: AGMARK quality control programmes as well as improvements in marketing practices and procedures are advertised through mass media. The information is disseminated through exhibitions, conferences, seminars and workshops.

The Marketing Research and Information Network (AG-MARKNET): This is a central sector scheme that was launched

by the Department of Agriculture and Cooperation in March 2000. This includes networking of markets, development of regional portals, market-led extension activities and development of market atlas on Global Information Systems (GIS) platform, etc.

The Construction of Rural Godowns: The Department of Agriculture and Cooperation introduced a central sector scheme, the 'Grameen Bhandaran Yojana', in March 2002 to promote the construction of rural godowns.

Grading and Standardization: The scheme for the development/strengthening of agricultural marketing infrastructure, grading and standardization was launched on 20 October 2004.

CHALLENGES FOR AGRICULTURAL MARKETING:

The challenges for rural farmer are:

a). Inadequate storage facility of food grains, b) Improper transportation c) Packaging facility problem, d) Cold storage facility problem etc., Inefficiency in the wholesale markets result in a long chain of intermediaries, multiple handling, loss of quality and increase in the gap between the producer and consumer prices. A large number of small retailers, each handling small quantities, create high overheads leading to a high marketing margin on the produce. The purpose of regulation of agricultural markets was to protect farmers from the

exploitation of intermediaries and traders and also to ensure better prices and timely payment for the produce. However, due to lack of development of an appropriate market infrastructure in tandem with changes in production, intermediation has tended to continue resulting in post-harvest losses at every stage thereby reducing the farmer's share in consumer's price. There is a strong need for providing an appropriate backward and forward integration to producers for ensuring primary value additions to the produce and enhance quality.

CONCLUSION:

Agriculture is an important sector in contributing more revenue to the Indian Economy. With the greater importance agriculturist should have good marketing facilities as economy adopt new policies. Challenges and opportunities that the global markets offer in the liberalized trade regime are also to be addressed. For the farming community to benefit from the new global market access opportunities, the internal agricultural marketing system in the country needs to be integrated and strengthened. There is a need to expand all the services that will develop agricultural marketing, relating to marketing system improvement, strengthening of marketing infrastructure, investment needs, possible sources of funds including that from the private sector, improvement in marketing information system using ICT, human resource development in agricultural marketing, and measures needed for promotion of exports.

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