



PROBLEMS OF AGRICULTURAL MARKETING

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ABSTRACT

In India, there are four systems of agricultural marketing like sale in village, sale in mandi, sale in market and cooperative marketing. In agricultural marketing transportation cost, inadequate market infrastructure, lack of market information, lack of processing units, storage facility, price fluctuation are the major problems. Eliminating middlemen, enough storage facility, freedom from moneylenders, adequate transportation facilities, availability of loan and training facilities etc. are required for satisfactory agricultural marketing. Some people have suggested that crop insurance and technical guidance should be provided for improvement in agricultural marketing in India. Among all these problems, transportation charges are concerned as a major problem by the maximum number of farmers.

INTRODUCTION

Agricultural marketing refers to all those processes which relate to taking the agricultural product from the farmers to the consumers. Agricultural marketing includes gathering the agricultural produce, their standardization and grading, their storage, sending them to the market through various middlemen, selling in the market and arranging the required finance etc.

Definition:

In a very narrow sense, Agriculture marketing means delivering farm product from farmers to the final consumers. The National Commission on Agriculture defined agricultural marketing

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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.

Problems of Agricultural Marketing

Even though India is an agricultural country, still its agricultural marketing has been defective. The Indian farmers are unable to get reasonable price for the products even after their hard work and are fully exploited by the middlemen.

1. Too Many Intermediaries

The one main defect of the Indian Agricultural marketing is the presence of too many middlemen and exploitation of farmers by them. On one hand these middlemen exploit the farmers by purchasing the produce at lower prices and on the other hand they exploit the customers by demanding higher prices from them. The only aim of a number of commission agents, brokers etc. is to derive a higher income from the middle processes. These middlemen take undue advantage of the poor farmer on the basis of their financial resources.

2. Defective Weights and Scales

One of the biggest defects of agricultural marketing arises due to weights and scales. Usually, in rural areas bricks, etc. are used as weights and in urban markets also defective weights are found. Thus, the grain of the farmer is weighed by a heavier weight for their own gain. Most of the traders keep separate weights for purchase and sale of grain.

3. Illiteracy and Lack of Unity among Farmers

The Indian farmers are illiterate who are easier be fooled by the money lenders, traders, middlemen, due to their simple nature. Similarly, lack of unity among farmers also causes their exploitation because Indian farmers are spread in distant areas in rural places. They are unable to meet with each other and resolve their problems, as a result they do not get a fair price for their produce.

4. Lack of Financial Resources

In the rural areas there is lack of financial resources, due to which even their emergency requirements are not fulfilled. In such conditions the farmers sell their produce before its ripening. Similarly, some financial facilities, like installments on loans for pumping-set,

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tractor, thrasher etc. have to be paid on monthly or quarterly basis due to which they have to sell the product as soon as possible. Thus, as the lack of financial assistance is a problem for the farmers, so does the receipt of loan also puts them in problem.

5. Lack of Organised Marketing System

The agricultural marketing is also very defective in India because here organised marketing is not in vogue, like, cooperative societies, government marketing activities, regular markets etc. As a result, the farmer remains entangled in exploitation. Thus, lack of organised marketing system is harmful for the farmers. That is - why the farmer sells his product personally to different people. The middle take full advantage of the unorganized farmers.

6. Lack of Transport Facilities

The roads from Villages to cities are usually unmade which are not capable of transport during the rainy season. The bullock carts can take the product only up to a limited area. During lack of transport facilities, the farmer is unable to take his produce to the appropriate market and is unable to receive a fair price for his product.

7. Lack of Store Houses

An important deficiency of Indian agricultural marketing is lack of store houses. Due to lack of this facility the farmer is unable to keep his product safely until it can fetch a fair price, and he is forced to sell his product at a low price. The insufficient and unscientific facilities of shortage which are available, waste large quantities of grains. Approximately 20% to 30% grains are lost due to rats, insects etc. and the farmers have to bear crores of loss due to lack of these facilities.

8. Lack of Standardization

The lack of standardization and grading is clearly visible in the Indian Agricultural marketing, due to which fixing a deal in relation to these products becomes difficult. Due to lack of proper standardization and grading the customers have problem in purchasing the product.

9. Lack of Awareness of the Market

The Indian farmer has no knowledge about marketing. He believes on information acquired from the businessmen and money lenders of the village. Mostly, the Indian farmers are illiterate so they cannot read the newspaper. Thus, they do not have sufficient knowledge

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about the market. Now, government transmits the rates of the market on the ratio, which has definitely benefited them.

10. Corrupt Policies of the ‘Mandis’

If we observe the condition of the mandis, this fact is no more hidden that the middlemen and the traders jointly make fool the simple farmers. The Indian Organizing Society has clarified the following facts relating to the corrupt policies of the mandis

- 1.The inappropriate marketing system is so deep laden in India that about 5% of the amount is deducted from the farmer’s produce in the name of donations, ‘dharmada’, ‘chanda’ etc.
- 2.The farmers are paid low price, as they lack appropriate knowledge about market prices, their fluctuations, government policies etc. Thus, by keeping the rates secret, the farmers are cheated.
- 3.Before the sale, large amounts of grains are taken from the farmers as samples. By declaring the product to be of sub-standard quality minimum prices are paid for it.

CONCLUSION:

Agricultural marketing suffers from all the above defects badly. It is a common phenomenon all over the states of India. Unless and until the respective government overcomes all the above limitations, we cannot expect a rapid growth in the agricultural sector. Government has to think seriously over the ‘Minimum Support Price’ issue also.

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