

AGRICULTURAL MARKETING – AN OVERVIEW

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ABSTRACT

The agricultural sector is of vital importance for the region .it is undergoing a process of transition to a market economy, with substantial changes in the social, legal, structural, productive and supply set –ups, as is the case with all other sectors of the economy.

Key words: Central Marketing Committee, Agriculture Marketing, Big Cultivators, Village Merchants

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1. INTRODUCTION

1.1 History and Development of Agriculture Markets

Administration of India took a few activities to impact the structure and lead of the market to improve the exhibition of farming showcasing framework. With the foundation of Central Marketing Committee in 1935, which is as of now known as Directorate of Marketing and Inspection, government intercession in farming advertising is perceived. The Directorate educated the States to institute enactments for the guideline of business sectors for rural produce and the cycle of guideline began with the beginning of managed markets. The controlled business sectors were set up to direct adequately deal and acquisition of rural deliver and set up market yards for advertising of rural produce (Gopinath, 2019).

During the time spent progression and expanded market access, the future exchanging farming items is being embraced. The public authority likewise manages fates exchanging agrarian wares and at first allowed prospects exchanging items like jaggery, dark pepper and turmeric (Gopinath *et al.*, 2016). The 'Kabra Committee' designated by the Government in 1993 to investigate prospects exchanging and propose measures, suggested fates exchanging 17 significant farming items, for example, cotton kapas, jute and jute merchandise, all significant oil seeds and their oils and cakes, rice grain oil and espresso (Saminathan & Karthi, 2020 c).

There were 6,528 discount amassing markets and 6,052 managed markets – 2,149 chief business sectors and 3,903 business sectors as on 31st March 1988 (Dantwala, 1991) and the quantity of discount markets expanded to 7,169 of which 7,001 are covered under the market guideline program.

As indicated by Thakur and Shandil (1993) the controlled business sectors, which were set up in various pieces of the nation, demonstrated a huge expansion in their numbers from 150 to 6,251 somewhere in the range of 1947 and 1990. In 1991 there were 10,000 provincial essential business sectors in the nation, which take into account the prerequisites of dominant part of little and peripheral Farmers and the number expanded to 17,040 out of 1992. Agricultural products worth Rs.62,000 crores were exchanged these discount markets during 1992-93. Various social orders like promoting social orders, milk gracefully social orders, poultry social orders, domesticated animals items social orders, cultivating social orders, cotton ginning and handling social orders, other agricultural preparing social orders and fisheries social orders were set up to practice intercession impacts of different structures on the structure, lead and execution of the showcasing framework. These social orders practice a huge and positive effect available cost through acquirement giving post collect administrations like stockpiling and credit offices. There is a colossal expansion in the number and enrollment of such social orders in India.

1.2 Agricultural Marketing Concept and Definition

The term agricultural marketing is composed of two wards-agricultural and marketing. Agricultural, in the broadest sense, means activities aimed at the use of natural resources for human welfare, i.e., it including all the primary activities of production. But, generally, it is used to me growing and or raising crops and livestock. Marketing connotes a series of activities involved in moving the goods from the point of production to the point of consumption. It includes all the activities involved in the creation of time, place, form and possession utility. According to Thomsen, 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. Normally the key issue is finding people for cultivation and as well as for marketing (Usharani & Gopinath, 2020)

1.3 Scope and Subject Matter of Agricultural Marketing

Agricultural marketing in a broader sense is concerned with:

- The marketing of farm products produced by farmers
- The marketing of farm inputs required by farmers in the production of farm products.

2. FUNCTIONS OF AGRICULTURAL MARKETING

Rural promoting capacities are numerous and shifted. The part played by each capacity fluctuates broadly as respects to the particular merchandise and ventures. It might additionally be noticed that these capacities are vital paying little heed to the foundation or organization which performs them or the product regarding which they are performed. These capacities are

firmly identified with one another and can't be confined from each other. Appropriately, the elements of agricultural advertising can be arranged into three general classes:

- Exchange functions;
- Physical functions; and
- Facilitative functions.

3. ORGANIZATION OF AGRICULTURAL MARKETS

To find out about agriculture promoting, let us examine how rural showcasing exercises are coordinated. This requires an away from of types, structure and functionaries of farming business sectors.

4. CLASSIFICATION OF MARKETS

The various bases on which agricultural markets may be classified are:

4.1 Frequency

On the basis of the frequency at which the markets are held, they can be classified as daily, weekly, fortnightly, etc.

4.2 Types of Products Traded

Different markets deal with different products. While some might deal with all products, a few markets might specialize in some products. On the basis of the type of product traded, they can be named as Grain markets, Cotton markets, Fruit & Vegetable markets, etc. It is relevant to quote 'gurmandi, noon mandi etc.' in Ludhiana and Amritsar. They specialize in one single commodity only; although now-a-days they are dealing with other products also.

4.3 Types of Transaction

On the basis of their transactions, the agricultural markets can be classified as spot and forward markets. The spot markets undertake those transactions only in which the exchange is affected at the current prices; while in the forward markets, the commodities are traded for future delivery. The future markets resemble with the future trading system of stock market

4.4 Area Served

Depending upon the type of area served, the agricultural markets can be classified as Local, Central, etc. The local markets cater to the needs of only the local population, while the central markets are located in the city center and cater to the needs of the entire city or the region. The latter are much bigger in size and area of operation.

5. OTHER BASES OF CLASSIFICATION

It may, however, be noted that there is no rigidity in these classifications and one classification overlaps the other. However, for our discussion, let us classify agricultural markets into primary, secondary and terminal markets.

5.1 Primary Markets

These are periodical business sectors privately known as 'Haats'. They are commonly held more than once per week. The days on which these business sectors meet are fixed with the goal that brokers can visit the zone. They are commonly held in the open and along side of the road in significant or midway arranged territories. These business sectors are arranged in the delivering

zones and products created in the encompassing parcels are mostly sold in them. A piece of the produce is bought by the little retailers who, further, offer it to the non-ranch country populace. During the lean season, a portion of the produce may be sold back to the cultivators themselves (Gopinath & Shibu, 2015). The remainder of the produce is bought by go-betweens and discovers its way to the discount market. Other than agricultural produce, various different articles needed by country society, for example, salt, tobacco, oils, gur, leafy foods, flavors, fabric, hosiery items and trimmings of modest metals are additionally sold in these business sectors (Gopinath & Kalpana, 2019).

These business sectors as a rule serve a territory of 10 kms span however it very well might be more, going from 10 to 50 kms, contingent on the accessibility of correspondence and transportation offices, nature of wares took care of and the area of the market regarding different business sectors (Gopinath, 2014). The essential capacity of these business sectors is to fill in as collecting habitats for the nearby produce yet they likewise work all the while as distributive communities for neighborhood utilization. Despite the fact that, these business sectors are sloppy, they do, fill the valuable need of giving a typical gathering spot to purchasers and venders. Regardless of being arranged in rustic regions, the costs administering in these business sectors are impacted by those predominant in the discount markets. Further, Similar studies discussed on brand preferences and level of satisfaction in consuming noodles (Unnamalai & Gopinath, 2020).

5.2 Secondary Markets

These markets, also known as ‘Mandis’, are regular wholesale markets and provide a permanent place for daily transactions. The work starts in them early morning and continues till all transactions are over. These markets are generally situated in the towns, districts, and important trade centers. Usually they are situated near railway stations. Shops or ‘Arhats’ are built in these markets. Postal, Banking and telephone facilities are available at such places.

5.3 Terminal Markets

A terminal market is the place where the produce is either finally disposed of to the consumer or to the processor or assembled for exports. Such markets are usually situated in metropolitan cities like Delhi, Bombay, Madras and Calcutta etc. In these markets, merchants are well organized and use modern marketing methods to moderate their stress and enhances their business (Gopinath & Ganesan, 2014).

6. MARKET FUNCTIONARIES

Beginning from the agriculturists, down to the final consumer, one can find a long chain of different functionaries. And there are numerous issues in functioning the marketing ranging from intermediaries to appropriate price (Karthick & Saminathan, 2020 a). Let us discuss these functionaries under two heads viz.

- Functionaries at village level
- Functionaries at Mandi level

6.1 Functionaries at Village Level

Some important functionaries operating at village level are:

- Big Cultivators;
- Village Merchants; and
- Itinerant Traders.

6.1.1 Big Cultivators

Big cultivators with large holdings and substantial marketable surplus constitute the first type of market functionaries operating at village level. They also own tractor, carts and other means of transportation. Massive volume of marketable surplus at their disposal is the result of both their own large-scale cultivation as also of the seasonal purchases conducted at the village level. In fact, they create buffer stock by purchasing grain in the season and selling it afterwards in nearby 'Mandis'. Small cultivators sell their surplus grain either to them or through them.

6.1.2 Village Merchants

They are known by various names in various pieces of India, for example, 'Beopari', 'Baniya', 'Sahukar', 'Paikars', 'Farias', and so forth. They comprise one of the main gathering organizations at town level. In spite of the fact that, they work sometimes with their own capital however in rest or the cases they are financed by 'Arhatias' or 'Arhatdars' or enormous discount brokers in collecting and appropriating focuses. Town Merchants' responsibility is to gather the attractive excess from towns and town markets and convey it to the discount mandis or closest towns. It is thusly and through these organizations that the attractive excess is brought to the optional and terminal market (Karthick & Saminathan, 2020 b).

6.1.3 Itinerant Traders

They are insignificant traders who move among towns and buy the produce for cultivator. They either own some creature, for example, horse or have trucks to ship the produce to the close by market. They offer a lower cost than that administering in the close by market as they think about all variables, for example, transportation, market charges and their net revenue. They by and large compensation the cultivator in 3-4 days after the produce has been discarded on the lookout and installment has been gotten from 'Arhatia'.

6.2 Functionaries at Mandi Level

Important functionaries at Mandi level are:

- Arhatias;
- Brokers; and
- Co-operative Marketing Societies.

6.2.1 Arhatias

The most important functionary to be found in bid mandis are 'Arhatias' who include both buyers on commission and outright buyers. Broadly speaking, the Arhatias can be grouped under two heads, viz., Kuchha Arhatias and Pucca Arhatias.

i) Kuchha Arhatias: They are little commission specialists. Their circle of action is absolutely nearby and they act essentially as agents or a go between the essential maker or merchant and the purchaser in the enormous discount market. Such an individual rarely purchases for his own. His principle business is to build up contact between maker dealer and the purchaser in the gathering market. He likewise propels cash to the cultivators and town banias depending on the prerequisite that the produce will be discarded through only him and henceforth, changes an ostensible pace of revenue on target progressed.

ii) Pucca Arhatias: They are commonly huge firms of some substance and they generally bargain in grains, oil-seeds, and other rural items either as specialists or follow up for their own. They additionally help in amassing of the ranch items by financing the activities of the 'Kuchha-Arhatias' and little brokers.

6.2.2 Dalal (Brokers)

Their fundamental capacity is to unite purchasers and dealers. They contrast from the Arhatias as in they have no fixed business of their own. They charge commission from the purchasers and the merchants.

6.2.3 Co-operative Marketing Societies

These have been set up under the incorporated Rural Credit and Marketing Scheme started under the Second Five-year Plan. The primary capacity of these social orders is to sell the result of their individuals. They likewise attempt out and out buys, give storerooms to capacity and evaluating, and accordingly spare cultivators from misuse by dealers, and help the Farmers in making sure about a reasonable cost for their produce.

7. CONCLUSION

The agricultural marketing plays a vital role in easy way agro produce distribution to the customers. Like all the distribution to the customers. Like all the marketing activities, it also aims in profit making. It helps the farmers to reach their customers within very short lead time.

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