

Course Code– ECON(H)221

Lecture 25: Agriculture Marketing



TOPICS TO BE DISCUSSED

➤ Agriculture Marketing

- Meaning
- Issues
- Suggestive Measures



Agriculture Marketing

- Agricultural marketing system is an efficient way by which the farmers can dispose their surplus produce at a fair and reasonable price.
- Improvement in the condition of farmers and their agriculture depends to a large extent on the elaborate arrangements of agricultural marketing.
- The term agricultural marketing include all those activities which are mostly related to the procurement, grading, storing, transporting and selling of the agricultural produce.
- agricultural marketing includes the operations like collecting, grading, processing, preserving, transportation and financing

Systems of Agriculture Marketing in India

- **Sale in Villages:** The moneylender and traders may buy independently or work as an agent of a bigger merchant of the nearby mandi.
- In India more than 50 per cent of the agricultural produce are sold in these village markets in the absence of organized markets.
- **Sale in Markets:** Sale of produce in the weekly village markets popularly known as 'hat' or in annual fairs.
- **Sale in Mandis:** located in various small and large towns which are at distant place, thus the farmers sell the produce to wholesalers with the help of brokers or 'dalals'.
- These wholesalers or mahajans again sell those farm produce to the mills and factories and to the retailers who in turn sell these goods to the consumers directly in the retail markets.

Systems of Agriculture Marketing in India

- **Co-operative Marketing:** marketing societies are formed by farmers to sell the output collectively to take the advantage of collective bargaining for obtaining a better price.

COOPERATIVE MARKETING

Farmers join together and sale goods directly – 4000 primary soc.

Three tier structure

- ❖ Primary marketing societies – village
- ❖ Central Societies – district level
- ❖ State Marketing Societies - state

FUNCTIONING

Members agree to sell surplus to soc.
Members get advance from the soc.
Soc. Collects produce fm mem & non-mem
Soc. Process produce & grades
Members get balanced money

PROBLEMS: improper functioning,
Poor linkage in diff. levels, unhealthy
Competition, dominance of rich
farmers, regional imbalance.



Issues in Agriculture Marketing in India

- Lack of Storage Facility
- Distress Sale
- Lack of Transportation
- Unfavorable Mandis
- Intermediaries
- Unregulated Market's
- Lack of Market Intelligence
- Lack of Organization
- Lack of Grading
- Lack of Institutional Finance
- Unfavorable Conditions



Suggested Measures for Agriculture Marketing

- Establishment of regulated markets.
- Establishment of co-operative marketing societies.
- Extension and construction of additional storage and warehousing facilities for agricultural produce of the farmers.
- Expansion of market yards and other allied facilities for the new and existing markets.
- Provision is made for extending adequate amount of credit facilities to the farmers.

Suggested Measures for Agriculture Marketing

- Timely supply of marketing information's to the farmers.
- Improvement and extension of road and transportation facilities for connecting the villages with mandis.
- Provision for standardization and grading of the produce for ensuring good quality to the consumers and better prices for the farmers.
- Formulating suitable agricultural price policy by the Government for making a provision for remunerative prices of agricultural produce of the country.