Agricultural Marketing in India: Concepts, Challenges and Remedial Measures

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ABSTRACT

India is known as an agrarian country. Agriculture plays a vital role in India's economy. Agriculture is the process in which land is used to grow a variety of crops and includes breeding and raising livestock. Besides huge number of people depend on agriculture sector and its high share in employment and livelihood creation. As per census 2011 data about Over 70 per cent of the rural households depend on **agriculture** and allied activities. Agriculture **contributes** about 17% to the total **GDP** and provides employment to over 60% of the population. According to the Food and Agriculture Organization, "India is the world's largest producer of Milk, pulses and jute and ranks as the second largest producer of rice, wheat, sugarcane, groundnuts, vegetables, fruit and cotton. It also one of the leading producer of spices, fish, poultry and livestock and plantation crops". For this reason, adequate production and even distribution of food has of late become a high priority in global concern. Agricultural marketing is mainly the buying and selling of agricultural products. In earlier days when the village economy was more or less self-sufficient the marketing of agricultural products presented no difficulty as the farmer sold his produce to the consumer on a cash or barter basis. One of the economic objectives of India is to make optimum utilisation of scarce resources and, thereby, accelerate the economic development. Indian Agriculture marketing is facing In this backdrop, this paper presents the structure of Agriculture Marketing, analyse the problems facing Agriculture and remedial measures for improvement of Agricultural Marketing in India.

Keywords: Agricultural marketing, agricultural marketing problems, challenges, Agricultural remedial measures

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

The Indian food industry is poised for huge growth, increasing its contribution to world food trade every year due to its immense potential for value addition, particularly within the food processing industry. Indian food and grocery market is the world's sixth largest, with retail contributing 70% of the sales. The Indian food processing industry accounts for 32% of the country's total food market, one of the largest industries in India and is ranked fifth in terms of production, consumption, export and expected growth.

Concept of Agricultural 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. Thus Prof. Faruque has rightly observed: "Agricultural marketing comprises all operations involved in the movement of farm produce from the producer to the ultimate consumer. Thus, agricultural marketing includes the operations like collecting, grading, processing, preserving, transportation and financing."

Present State of Agricultural Marketing in India:

In India four different systems of agricultural marketing are prevalent:

1. Sale in Villages:

The first method open to the farmers in India is to sell away their surplus produce to the village moneylenders and traders at a very low price. The moneylender and traders may buy independently or work as an agent of a bigger merchant of the nearly mandi. In India more than 50 per cent of the agricultural produce are sold in these village markets in the absence of organized markets.

2. Sale in Markets:

The second method of disposing surplus of the Indian farmers is to sell their produce in the weekly village markets popularly known as 'hat' or in annual fairs.

3. Sale in Mandis:

The third form of agricultural marketing in India is to sell the surplus produce though mandis located in various small and large towns. There are nearly 1700 mandis which are spread all over the country. As these mandis are located in a distant place, thus the farmers will have to carry their produce to the mandi and sell those produce to the wholesalers with the help of brokers or 'dalals'. These wholesalers of 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.

4. Co-operative Marketing:

The fourth form of marketing is the co-operative marketing where marketing societies are formed by farmers to sell their output collectively to take the advantage of collective bargaining for obtaining a better price.

Agencies of Market: Following agencies carry out marketing of various stages in India

- Village Merchant
- Wholesale in assembling market
- Commission Agent or Dalal
- Pre harvest Contractor (In fruit crops)
- Wholesaler consuming market
- Processor
- Retailer

Type of Market: There are mainly four types of market are found in India

- Wholesale Market
- Retail market in consuming area
- Daily mandi's and weekly market in rural areas. Producers sell directly to local consumers.

• Annual and occasional fairs

Channels of Marketing: There are three types of channels are found –

(i) Government: Producer -Govt. Department -Consumer

(ii) Co-operative channel: Producer -Co-operatives-Consumer

(iii) Private channel: Producer - Wholesale - Commission Agent - Retailer - Consumer

In private channel there are many intermediaries, which result into high costs and market margins. Therefore, the commodities become costly for the final consumer and this reduces the producers share in consumer's price. This is traditional channel and is quite popular with the farmers. Nearly 60 to 70% agriculture produce is sold through this channel.

The cooperative channel is quite week in the country. In Maharashtra, this channel is used partially in important fruit crops like grapes, pomegranate, banana, orange, along with private channel. Government channel is used mainly for food grains like rice, wheat and sugar. In some essential commodities, when prices are unduly high or low, the government enters into market to buy the commodities and sell them to protect the interest of both producer and consumer.

The channel of marketing is an important aspect of agricultural marketing affecting the prices paid by consumer and shares of them received by the producer. The shorter the channel, lesser the market costs and cheaper the commodities to the consumer. The channel which provides commodities at cheaper price to consumer and also ensures greater share to producer is considered as the most efficient channel.

State Wise Markets in India: State wise showing details of regulated markets in different states/union territories.

Usually farmers/producer do not get the proper price of their produce due to commission agents, broker who purchase their product at lower price. Formers also have to bear loss in weighing of their produce and to get payment. Farmers don't have any other livelihood other than agriculture; due to this way they have to sale their production at lower price to fulfill their immediate needs. Therefore aim should not only to increase produce but also to provide the facilities and arrangements for marketing of produce for example storage, transportation, grading and good price of produce. To present the exploitation of farmers, to provide them proper price for their produce and to facilitate better marketing facility M.P. State Agriculture Produce Marketing Act 1972 was implemented.

Table No. 1 shows the market condition in different states/UTs. In M.P. The numbers of wholesale markets are 246, Rural markets are 1321 while Regulated Principal markets are 246 and submarket yards are 275. This table shows the comparatively poor condition at all the states with respect to market.

In India average area served by a market is 115 sq. km and an average area served by a regulated market is 457 sq. km. Area served per regulated market varies from 118 sq. km. in Punjab to 11,214 sq. km. in Meghalaya.

Table No. - 1

Market Condition of States/UT's in India as on 31.03.2012

Sl.No	Name of the States/ UTs	Number of Markets			Regulated Markets		
		Whole Sale	Rural Primary	Total	Principal	**Submarket Yards**	Total
1	Andhra P.	331	574	905	331	574	905
2	Bihar	325	1469	1794	APMR Act Repealed		
3	Gujrat	205	129	334	199	201	400
4	Haryana	284	194	478	106	178	284
5	Karnataka	507	730	1237	153	354	507
6	Kerala	348	1014	1362	APMR Act not enacted		
7	M.P.	246	1321	1567	246	275	521
8	Maharrashtra	881	3500	4381	300	581	881
9	Punjab	425	1346	1771	149	276	425
10	U.P.	584	3464	4048	249	364	613
	Other State/ UTs	2353	8784	11117	723	1930	2654
	Total	**6489**	**22,505**	**28,994**	**2456**	**4734**	**7190**

Source: Report of Department of Agriculture and Co-operation Govt. of India, Page 53

Table 2 indicates the state wise progress of reforms in agriculture market. Many states/UTs where reforms to APMC Act has been done partially and many other states/UTs where no APMC Act and hence not requiring reforms. In some states/UTs where reforms are not initiated:

Table – 2

State Wise Progress of Reforms in Agriculture Market (APMC Act) As on 31.12.2012

Sl.No.	Stage of Reforms	States and Union Territories
01.	State/UTs where reforms to APMC Act has been done for direct marketing contract marketing and markets is private/cooperative sectors	A.P., Arunachal Pradesh, Assam, Goa, Gujarat, H.P., Jharkhand, Karnataka, Maharashtra, Mizoram, Sikkim, Tripura, Uttaranchal, Nagaland, Orissa, Rajasthan
02.	States/UTs where reforms to APMC Act has been done partially	Direct Market - NCT of Delhi, Chhatisgarh, M.P., Punjab and Chhatisghar (in rule only not in act) Contract Farming Chhatisghar, M.P. Haryana, Punjab (only waiver of market fee and in rule only Private Market Punjab (in act not in rule and also not implemented) and Chandigarh (in act only and not in rule and also not implemented)
03.	States/UTs where there is no APMC Act and hence not requiring reforms	Bihar, Kerala, Manipur, Andaman & NikobarILands, Dadra & Nagar Haveli, Daman & Diu and Lakshdeep.
04.	State/UTs where APMC Act already provides for the reforms	Tamilnadu
05.	States/UTs where reforms are not initiated	Meghalaya, J&K, W.B., Puduchery and U.P.

Source: Report 2012 – Department of Agriculture and cooperation Govt. of India,Page-6

Table III shows the mandi charge in different states/UTs at the Rabi Crops the marketing season. It indicates the highest mandi charges are imposed in Punjab and lowest mandi charges are imposed in Gujrat. In M.P. mandi charges are 8.2%

Table – 3: Mandi Charges (incl. of purchase tax, market fees, Arthia commission etc.) in various States

States/UTs	Purchase/ SalesTax/ Trade Tax/ VAT	Market Fee	Arthia Communication	Other Charges	Total
Bihar	1.0+3.0	-	2.0	-	6.0
Gujrat	-	1.0	2.0	-	3.0
Haryana	4.0	2.0	2.5	2.0 (RD Cess)	10.5
Madhya Pradesh	4.0	2.0	2.0	0.2(Nirashrit shulk)	8.2
Punjab	5.0	2.0	2.5	5.0 (RDCess .2% + ID Fee @3%)	14.5
Rajasthan	-	1.6	2.0	-	3.6
U.P.	4.0	2.5	2.0	-	8.5
Uttarakhand	4.0	2.5	-	-	6.5

Source: Price Policy for Rabi Crops, the marketing season – 2012-13

Let us make in-depth study of the concept, present state, defects and remedial measures of agricultural marketing in India.

Defects of Agricultural Marketing in India:

Following are some of the main defects of the agricultural marketing in India:

1. Lack of Storage Facility:

There is no proper storage or warehousing facilities for farmers in the villages where they can store their agriculture produce. Every year 15 to 30 per cent of the agricultural produce are damaged either by rats or rains due to the absence of proper storage facilities. Thus, the farmers are forced to sell their surplus produce just after harvests at a very low and un-remunerative price.

2. Distress Sale:

Most of the Indian farmers are very poor and thus have no capacity to wait for better price of his produce in the absence of proper credit facilities. Farmers often have to go for even distress sale of their output to the village moneylenders-cum-traders at a very poor price.

3. Lack of Transportation:

In the absence of proper road transportation facilities in the rural areas, Indian farmers cannot reach nearby mandis to sell their produce at a fair price. Thus, they prefer to sell their produce at the village markets itself.

4. Unfavourable Mandis:

The condition of the mandis are also not at all favourable to the farmers. In the mandis, the farmers have to wait for disposing their produce for which there is no storage facilities. Thus, the farmers will have to lake help of the middleman or dalal who lake away a major share of the profit, and finalizes the deal either in his favour or in favour of arhatiya or wholesalers. A study made by D.S. Sidhu revealed that the share of middlemen in case of rice was 31 per cent, in case of vegetable was 29.5 per cent and in case of fruits was 46.5 per cent.

5. Intermediaries:

A large number of intermediaries exist between the cultivator and the consumer. All these middlemen and dalals claim a good amount of margin and thus reduce the returns of the cultivators.

6. Unregulated Market's:

There are huge number of unregulated markets which adopt various malpractices. Prevalence of false weights and measures and lack of grading and standardization of products in village markets in India are always going against the interest of ignorant, small and poor farmers.

7. Lack of Market Intelligence:

There is absence of market intelligence or information system in India. Indian farmers are not aware of the ruling prices of their produce prevailing in big markets. Thus, they have to accept any un-remunerative price for their produce as offered by traders or middlemen.

8. Lack of Organisation:

There is lack of collective organisation on the part of Indian farmers. A very small amount of marketable surplus is being brought to the markets by a huge number of small farmers leading to a high transportation cost. Accordingly, the Royal Commission on Agriculture has rightly observed, "So long as the farmer does not learn the system of marketing himself or in cooperation with others, he can never bargain better with the buyers of his produce who are very shrewd and well informed."

9. Lack of Grading:

Indian farmers do not give importance to grading of their produce. They hesitate to separate the qualitatively good crops from bad crops. Therefore, they fail to fetch a good price of their quality product.

10. Lack of Institutional Finance:

In the absence of adequate institutional finance, Indian farmers have to come under the clutches of traders and moneylenders for taking loan. After harvest they have to sell their produce to those moneylenders at unfavourable terms.

11. Unfavourable Conditions:

Farmers are marketing their product under advice circumstances. A huge number of small and marginal farmers are forced by the rich farmers, traders and moneylenders to fall into their trap to go for distress sale of their produce by involving them into a vicious circle of indebtedness. All these worsen the income distribution pattern of the village economy of the country.

Major Problems in Agriculture of India and their Possible Solutions

Indian agriculture is plagued by several problems; some of them are natural and some others are manmade.

1. Small and fragmented land-holdings:

The seemingly abundance of net sown area of 141.2 million hectares and total cropped area of 189.7 million hectares (1999-2000) pales into insignificance when we see that it is divided into economically unviable small and scattered holdings. The average size of holdings was 2.28 hectares in 1970-71 which was reduced to 1.82 hectares in 1980-81 and 1.50 hectares in 1995-96. The size of the holdings will further decrease with the infinite Sub-division of the land holdings. The problem of small and fragmented holdings is more serious in densely populated and intensively cultivated states like Kerala, West Bengal, Bihar and eastern part of Uttar Pradesh where the average size of land holdings is less than one hectare and in certain parts it is less than even 0.5 hectare. Rajasthan with vast sandy stretches and Nagaland with the prevailing 'Jhoom' (shifting agriculture) have larger average sized holdings of 4 and 7.15 hectares respectively. States having high percentage of net sown area like Punjab, Haryana, Maharashtra, Gujarat, Karnataka and Madhya Pradesh have holding size above the national average.

Further it is shocking to note that a large proportion of 59 per cent holdings in 1990- 91 were marginal (below 1 hectare) accounting for 14.9 per cent of the total operated area. Another 19 per cent were small holdings (1-2 hectare) taking up 17.3 per cent of the total operated area. Large holdings (above 10 hectare) accounted for only 1.6 per cent of total holdings but covered 17.4 per cent of the operated area (Table 22.1). Hence, there is a wide gap between small farmers, medium farmers (peasant group) and big farmers (landlords). The main reason for this sad state of affairs is our inheritance laws. The land belonging to the father is equally distributed among his sons. This distribution of land does not entail a collection or consolidated one, but its nature is fragmented.

2. Seeds:

Seed is a critical and basic input for attaining higher crop yields and sustained growth in agricultural production. Distribution of assured quality seed is as critical as the production of such seeds. Unfortunately, good quality seeds are out of reach of the majority of farmers, especially small and marginal farmers mainly because of exorbitant prices of better seeds. In order to solve this problem, the Government of India established the National Seeds Corporation (NSC) in 1963 and the State Farmers Corporation of India (SFCI) in 1969. Thirteen State Seed Corporations (SSCs) were also established to augment the supply of improved seeds to the farmers. High Yielding Variety Programme (HYVP) was launched in 1966-67 as a major thrust plan to increase the production of food grains in the country.

3. Manures, Fertilizers and Biocides:

Indian soils have been used for growing crops over thousands of years without caring much for replenishing. This has led to depletion and exhaustion of soils resulting in their low productivity. The average yields of almost all the crops are among t e lowest in the world. This is a serious problem which can be solved by using more manures and fertilizers. Manures and fertilizers play the same role in relation to soils as good food in relation to body. Just as a well-nourished body is capable of doing any good job, a well nourished soil is capable of giving good yields. It has been estimated that about 70 per cent of growth in agricultural production can be attributed to increased fertilizer application.

Thus increase in the consumption of fertilizers is a barometer of agricultural prosperity. However, there are practical difficulties in providing sufficient manures and fertilizers in all parts of a country of India’s dimensions inhabited by poor peasants. Cow dung provides the best manure to the soils. But its use as such is limited because much of cow dung is used as kitchen fuel in the shape of dung cakes. Reduction in the supply of fire wood and increasing demand for fuel in the rural areas due to increase in population has further complicated the problem. Chemical fertilizers are costly and are often beyond the reach of the poor farmers. The fertilizer problem is, therefore, both acute and complex.

4. Irrigation:

Although India is the second largest irrigated country of the world after China, only one-third of the cropped area is under irrigation. Irrigation is the most important agricultural input in a tropical monsoon country like India where rainfall is uncertain, unreliable and erratic India cannot achieve sustained progress in agriculture unless and until more than half of the cropped area is brought under assured irrigation. This is testified by the success story of agricultural progress in Punjab Haryana and western part of Uttar Pradesh where over half of the cropped area is under irrigation! Large tracts still await irrigation to boost the agricultural output. However, care must be taken to safeguard against ill effects of over irrigation especially in areas irrigated by canals. Large tracts in Punjab and Haryana have been rendered useless (areas affected by salinity, alkalinity and water-logging), due to faulty irrigation. In the Indira Gandhi Canal command area also intensive irrigation has led to sharp rise in sub-soil water level, leading to water-logging, soil salinity and alkalinity.

5. Lack of mechanisation:

In spite of the large scale mechanisation of agriculture in some parts of the country, most of the agricultural operations in larger parts are carried on by human hand using simple and conventional tools and implements like wooden plough, sickle, etc. Little or no use of machines is made in ploughing, sowing, irrigating, thinning and pruning, weeding, harvesting threshing and transporting the crops. This is specially the case with small and marginal farmers. It results in huge wastage of human labour and in low yields per capita labour force.Uttar Pradesh recorded the highest average sales of tractors during the five year period ending 2003-04 and/West Bengal recorded the highest average sales of power tillers during the same period.

6. Soil erosion:

Large tracts of fertile land suffer from soil erosion by wind and water. This area must be properly treated and restored to its original fertility.

7. Agricultural Marketing:

Agricultural marketing still continues to be in a bad shape in rural India. In the absence of sound marketing facilities, the farmers have to depend upon local traders and middlemen for the disposal of their farm produce which is sold at throw-away price. In most cases, these farmers are forced, under socio-economic conditions, to carry on distress sale of their produce. In most of small villages, the farmers sell their produce to the money lender from whom they usually borrow money. According to an estimate 85 per cent of wheat and 75 per cent of oil seeds in Uttar Pradesh, 90 per cent of Jute in West Bengal, 70 per cent of oilseeds and 35 per cent of cotton in Punjab is sold by farmers in the village itself. Such a situation arises due to the inability of the poor farmers to wait for long after harvesting their crops.

In the absence of an organised marketing structure, private traders and middlemen dominate the marketing and trading of agricultural produce. The remuneration of the services provided by the middlemen increases the load on the consumer, although the producer does not derive similar benefit. Many market surveys have revealed that middlemen take away about 48 per cent of the price of rice, 52 per cent of the price of groundnuts and 60 per cent of the price of potatoes offered by consumers. In order to save the farmer from the clutches of the money lenders and the middle men, the government has come out with regulated markets. These markets generally introduce a system of competitive buying, help in eradicating malpractices, ensure the use of standardised weights and measures and evolve suitable machinery for settlement of disputes thereby ensuring that the producers are not subjected to exploitation and receive remunerative prices.

8. Inadequate storage facilities:

Storage facilities in the rural areas are either totally absent or grossly inadequate. Under such conditions the farmers are compelled to sell their produce immediately after the harvest at the prevailing market prices which are bound to be low. Such distress sale deprives the farmers of their legitimate income. The Parse Committee estimated the post-harvest losses at 9.3 per cent of which nearly 6.6 per cent occurred due to poor storage conditions alone. Scientific storage is, therefore, very essential to avoid losses and to benefit the farmers and the consumers alike.

At present there are number of agencies engaged in warehousing and storage activities. The Food Corporation of India (F.C.I.), the Central Warehousing Corporation (C.W.C.) and State Warehousing Corporation are among the principal agencies engaged in this task. These agencies help in building up buffer stock, which can be used in the hour of need. The Central Government is also implementing the scheme for establishment of national Grid of Rural Godowns since 1979-80. This scheme provides storage facilities to the farmers near their fields and in particular to the small and marginal farmers. The Working Group on additional storage facilities in rural areas has recommended a scheme of establishing a network of Rural Storage Centres to serve the economic interests of the farming community.

9. Inadequate transport:

One of the main handicaps with Indian agriculture is the lack of cheap and efficient means of transportation. Even at present there are lakhs of villages which are not well connected with main roads or with market centres. Most roads in the rural areas are Kutcha (bullock-cart roads) and become useless in the rainy season. Under these circumstances the farmers cannot carry their produce to the main market and are forced to sell it in the local market at low price. Linking each village by metalled road is a gigantic task and it needs huge sums of money to complete this task.

10. Scarcity of capital: **Table: 4 Institutional Credit to Agriculture:**

Institutions	**1999-00**	**2000-01**	**2001-02**	**2002-03**	**2003-04**
Co-operative Banks	18,363	20,801	23,604	24,296	26,959
Share (per cent)	40	39	38	34	31
Regional Rural Banks	3,172	4,219	4,854	5,467	7,581
Share (per cent)	7	8	8	8	9
Commercial Banks	24,733	27,807	33,587	41,047	52,441
Share (per cent)	53	53	54	58	60
Total	46,268	52,827	62,045	70,810	86,981
Per cent increase	26	14	17	14	22

Source: Report of Department of Agriculture and Co-operation Govt. of India,

The main suppliers of money to the farmer are the money-lenders, traders and commission agents who charge high rate of interest and purchase the agricultural produce at very low price. All India Rural Credit Survey Committee showed that in 1950-51 the share of money lenders stood at as high as 68.6 per cent of the total rural credit and in 1975-76 their share declined to 43 per cent of the credit needs of the farmers. This shows that the money lender is losing ground but is still the single largest contributor of agricultural credit. Rural credit scenario has undergone a significant change and institutional agencies such as Central Cooperative Banks, State Cooperative Banks, Commercial Banks, Cooperative Credit Agencies and some Government Agencies are extending loans to farmers on easy terms.

Challenges in Agriculture Marketing:

Some basic challenges are present in agricultural marketing system as listed below -

1. **Limited Access of Agriculture Produce Markets:** There is a huge variation in the density of regulated markets in difference parts of the country, which varies from 118 sq. km. in Punjab to 11,214 sq.km in Meghalaya.

2. **Licensing Barriers**: The compulsory requirement of owning a shop/go down for licensing of commission agents/traders in the regulated markets has led to the monopoly of these licensed traders acting as a higher entry barriers in existing APMCs for new entrepreneurs thus preventing competitions.

3. **Lack of Market Infrastructure in Agriculture Market**: Studies indicate that covered and open auction platform exists only in two-thirds of the regulated markets, while only one-fourth of markets have common drying yards. Cold storages units exist in less than one tenth of the market and grading Facilities in than one third of the markets. Electronic weigh-bridge is available only in a few markets.

4. **High Incidence of Market Charges**: APMc's are authorized to collect market fee ranging

between .5% to 2% of the sale value of the produce. In addition commission charges vary from 1% to 2.5% in food grains and 4% to 8% in fruits and vegetables. Further other charges such as purchase tax, weighment charges and hammal charges are also required to be paid. In some states this works out to total charges of about 15% which is excessive.

5. **High Wastage in Supply Chain:** Study conducted by ICAR (2010) shows that the post harvest losses of various commodities range from 3.9 to 6% for cereals, 4.3 to 6.1% for pulses, 5.8 to 18% for fruits and 6.8 to 12.4 for vegetables. The total past harvest losses of agriculture commodities have been estimated at about Rs. 44,000 crores at 2009 whole prices.

6. **Long Gestation Period of Infrastructure:** Projects and seasonality of agriculture produce agriculture marketing project have a long gestation period. The seasonality and aggregation of small surplus of agricultural produce further affect the economic viability of the projects, which daters investments.

7. **Lack of National Integrated Markets**: Under the present system, the marketable surplus of one area moves out to consumption centers through a network of middleman and traders, multiple market area and institutional agencies.

8. **Less former's Price Realization**: The share of farmers in consumer's price is very low particularly in perishables to a number of intermediaries, lack of infrastructure and poor holding capacity.

9. **Large Number of Marketing Channels with Long Supply Chain**: Traditionally the normal agriculture marketing in the country is fairly long with a large number of intermediaries between the producers and consumers, adding up more of costs without adding significant value.

Remedial Measures for Improvement of Agricultural Marketing:

Improvement of the agricultural marketing in India is utmost need of the hour.

The following are some of the measures to be followed for improving the existing system of agricultural marketing in the country:

(i) Establishment of regulated markets.

(ii) Establishment of co-operative marketing societies.

(iii) Extension and construction of additional storage and warehousing facilities for agricultural produce of the farmers.

(iv) Expansion of market yards and other allied facilities for the new and existing markets.

(v) Provision is made for extending adequate amount of credit facilities to the farmers.

(vi) Timely supply of marketing information's to the farmers.

(vii) Improvement and extension of road and transportation facilities for connecting the villages with mandis.

(viii) Provision for standardisation and grading of the produce for ensuring good quality to the consumers and better prices for the farmers.

(ix) Formulating suitable agricultural price policy by the Government for making a provision for remunerative prices of agricultural produce of the country.

Measures to Raise Agricultural Productivity in India

Read this article to learn about the following five remedial measures to raise agricultural productivity in India, i.e., (1) Consolidation of Holdings, (2) Overcoming Natural Factors, (3) Application of Modern Techniques, (4) Economic Measures, and (5) Human Development.

1. Consolidation of Holdings:

Consolidation of holding is a first step towards the modernization of Indian agriculture and this should be done immediately by enacting proper legislation required in this regard.

Uneconomic small farms should be properly consolidated and small fragmented holdings should also be consolidated by forming' co-operatives and co-operative farming societies.

2. Overcoming Natural Factors:

Proper steps should be undertaken to overcome various problems of agriculture resulted from natural factors. All these steps include extensive flood control measures, creation of adequate irrigation facilities and supplying adequate quantity of pesticides and insecticides.

3. Application of Modern Techniques:

Indian farmers must apply modern techniques of cultivation by utilizing modern implements, applying adequate quantity of fertilizers, using high yielding variety of seeds, by adopting scientific rotation of crops and careful crop planning. Agricultural research should be carefully intensified and fruits of research should be made available to the Indian farmers.

4. Economic Measures:

Economic measures must be adopted in order to make the Indian agriculture more remunerative. Proper steps must be undertaken for the improvement of farm organisation and land management. Besides, steps must be taken for the establishment of different types of agro- based industries in rural areas; provision also be made for adequate credit and marketing facilities. Moreover, the Government must introduce minimum price support policy, guarantee minimum prices of the agricultural produce of the country and implement crop-insurance scheme to cover the various risks in agriculture.

5. Human Development:

For the improvement of agricultural productivity in India, the quality of farmers should be improved and they should be imparted with adequate general and technical education. Adequate public health measures should also be undertaken in the rural areas. Farmers should shed off their fatalism and adopt themselves with changing ideas. Thus the agricultural productivity in India can be improved with the adoption of aforesaid measures in the agricultural sector of the country.

Investments

According to the Department for Promotion of Industry and Internal Trade (DPIIT), the Indian food processing industry has cumulatively attracted Foreign Direct Investment (FDI) equity inflow of about US$ 9.98 billion between April 2000 and March 2020.

Some major investments and developments in agriculture are as follows:

- Nestle India will invest Rs 700 crore (US$ 100.16 million) in construction of its ninth factory in Gujarat.

- In November 2019, Haldiram entered into an agreement for Amazon's global selling program to E-tail its delicacies in the United States.

- In November 2019, Coca-Cola launched 'Rani Float' fruit juices to step out of its trademark fizzy drinks.

- Two diagnostic kits developed by Indian Council of Agricultural Research (ICAR) - Indian Veterinary Research Institute (IVRI) and the Japanese Encephalitis lgM ELISA were launched in October 2019. Investment worth Rs 8,500 crore (US$ 1.19 billion) have been announced in India for ethanol production.

Government Initiatives

Some of the recent major Government initiatives in the sector are as follows:

- In 2019–20, Rs 202.5 crore (US$ 28.73 million) was allocated to the Rainfed Area Development, a sub-scheme under Rashtriya Krishi Vikas Yojana (RKVY)

- In May 2020, Government announced the launch of animal husbandry infrastructure development fund of Rs 15,000 crore (US$ 2.13 billion).

• In September 2019, Prime Minister, Mr Narendra Modi launched National Animal Disease Control Programme (NADCP), expected to eradicate foot and mouth disease (FMD) and brucellosis in livestock. In May 2020, Rs 13,343 crore (US$ 1.89 billion) was allocated to the scheme.

• In May 2019, NABARD announced an investment of Rs 700 crore (US$ 100 million) venture capital fund for equity investment in agriculture and rural-focused start-ups

• Under Union Budget 2019-20, Pradhan Mantri Samman Nidhi Yojana was introduced where a minimum fixed pension of Rs 3000 (US$ 42.92) was to be provided to the eligible small and marginal farmers, subject to certain exclusion clauses, on attaining the age of 60 years.

• The Government of India came out with Transport and Marketing Assistance (TMA) scheme to provide financial assistance for transport and marketing of agriculture products in order to boost agriculture exports.

• The Agriculture Export Policy, 2018 was approved by the Government of India in December 2018. The new policy aimed to increase India's agricultural export to US$ 60 billion by 2022 and US$ 100 billion in the next few years with a stable trade policy regime.

• The Government of India is going to provide Rs 2,000 crore (US$ 306.29 million) for computerization of Primary Agricultural Credit Society (PACS) to ensure cooperatives are benefitted through digital technology.

• The Government of India launched the Pradhan Mantri Krishi Sinchai Yojana (PMKSY) with an investment of Rs 50,000 crore (US$ 7.7 billion) aimed at development of irrigation sources for providing a permanent solution from drought.

• Government plans to triple the capacity of food processing sector in India from the current 10% of agriculture produce and has also committed Rs 6,000 crore (US$ 936.38 billion) as investments for mega food parks in the country, as a part of the Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters (SAMPADA).

• The Government of India has allowed 100% FDI in marketing of food products and in food product E-commerce under the automatic route.

Suggestions: Agriculture sector needs well functioning market to drive growth, employment, an d economic prosperity in rural area in country, some suggestion are given below -

1. Access of agriculture produce market should be improved. Ideally a regulated market should be available to formers within a radius of 5 km.

1. Licensing process should be liberal, so new entrepreneurs come in the market.

2. Market infrastructure in agriculture market should be improved.

3. Mandi charges in agriculture market should not exceed 2% of the value.

4. Efforts should be done to reduce post harvest losses of agriculture commodities.

5. There is a strong need of viability gap funding/ subsidy and easy availability of finance to attract investment for such projects and also easy availability to concessional funding to attract investments for marketing infrastructure projects.

6. There is a need to develop a national level single market for agriculture commodities by remaining all the existing barriers of licensing movement and storage.

7. There is a need to reduce intermediation by providing alternative marketing channel like direct marketing, contract farming etc. for which reforms in agriculture marketing system are necessary.

8. Strengthen Regulation on agricultural markets
9. Empower Agricultural produce marketing committees (apmcs)

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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