



AGRICULTURAL MARKETING IN INDIA

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ABSTRACT:

There are many reasons for the low productivity of agriculture in India. One of the reasons is the marketing of faulty agriculture. In order to increase the productivity of agriculture, agricultural commodities should get fair prices. If the marketing system of agricultural commodities is flawless, then agricultural commodities will get a fair and adequate price. On the other hand, if the marketing system is flawed, you will not get a fair and adequate price. In India, it is necessary to pay attention to the marketing system of agricultural commodities. There are many flaws in the agricultural marketing system in India. As a result, the economic condition of Indian farmers seems to have deteriorated. Hopefully, farmers face many difficulties in selling their farm produce.

Key words: - *agricultural commodities, marketing, low prices*

INTRODUCTION:

Problems of marketing of agricultural commodities:

1 Sale of farm produce in the village: Many farmers sell their produce in the village at a lower price instead of in the market. Due to lack of means of transportation, lack of information about market price, inappropriate type of market, etc., agricultural produce is sold in the village itself. Village merchants, brokers and moneylenders buy these goods at very low prices. As a result, farmers suffer a lot.

2 Immediate sale of goods: Due to need of money, loan from lender, lack of storage, lack of means of transportation, etc., Indian farmer immediately puts his goods for sale. As a result, sudden inflows into the market lead to lower commodity prices. Farmers have to sell their produce at very low prices.

3 Lack of storage facilities: Agricultural produce has to be sold as soon as it is released. A good price can be obtained by storing for 8 to 10 months. However, due to lack of storage facilities in India, it is not possible to store till the right price. Indian farmers cannot build their own warehouses as they are poor.

4 Lack of certification and grading: India does not have a proper system for certification of agricultural products. Therefore, good, medium and inferior quality items are sold at the same rate. Exported goods are adulterated. As a result, the demand for agricultural commodities in foreign markets has declined. As a result, agricultural commodities do not get fair price due to lack of standardization.

5 Market intermediaries: The farmer has to face many intermediaries as he takes the goods for sale in the market. Farmers are deceived by many intermediaries, traders, brokers, merchants. Intermediaries charge unrealistic fees for their services. Most of the compensation received by the farmers goes to the pockets of the market brokers. As a result, farmers get much less compensation for their produce.

6 Lack of means of transportation: India lacks means of transportation to transport agricultural commodities from central agriculture to the market. Trucks cannot be used to transport goods from the village to the market as it is a dirt road. Therefore, vegetables or perishable items are destroyed along the way.

Measures and government efforts to rectify the shortcomings in agricultural marketing:

1 Measured weights and measures : There should be uniformity so that agricultural commodities are properly measured and farmers are not deceived. In this regard, the metric system has been adopted in India since April 1, 1958 and the use of metric weights and measures in the market has been made mandatory. This has curbed the activities of traders who cheat farmers by using false weights and measures.

2 Classification of agricultural products : The Agricultural Production (Classification and Marketing) Act was enacted in 1937 to ensure that agricultural commodities were priced according to their copy. Therefore, they are categorized according to the copy of the object and given a mark of agmark.

3 Dissemination of market information : Farmers are informed about the prices of commodities in different markets and the demand for commodities in the country and abroad. For this, it is broadcast on radio, newspapers and television. This has made it possible for farmers to sell their produce at the right price in the right market.

4 Transportation facilities : In order to bring the goods of the farmers to the market, the government tried to connect the rural areas with the cities and markets by developing roads through five year plans. This has made it possible to bring agricultural commodities from the rural areas to the market easily and simply.

5 Loan availability : Facilities have been provided by the government and the market committee to provide adequate loans at concessional interest rates to farmers in rural areas. Adequate credit facility has been made available for storage of goods in the warehouses constructed by the Government and the Market Committee. Therefore, it is possible for farmers to sell their produce at higher prices.

6 Marketing, surveying, research and training

: In order to strengthen the market for agricultural commodities, the government is constantly striving to monitor the sale of agricultural commodities and take appropriate measures. With this in view, the government has set up a Directorate of Marketing and Inspection. This department monitors the agricultural markets and suggests measures to improve them from time to time. Training facilities are also provided to the officers and staff.

Since 26th November 2020, the borders of Delhi have been witnessing a huge agitation being carried out by farmers, most of them from Punjab and Haryana.

The farmers are protesting against 2 Farm Bills that the Rajya Sabha recently passed: (1) the Farmers' Produce Trade and Commerce (Promotion and Facilitation) Bill, 2020, and (2) the Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Bill, 2020.

The two bills had already cleared the lower house – the Lok Sabha. When they were introduced in the Rajya Sabha, there was ruckus and finally, the Bill was passed through a voice vote.

The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Bill, 2020:

This Bill allows the farmers to sell their produce outside the Agricultural Produce Market Committee (APMC) regulated markets. The APMCs are government-controlled marketing yards or mandis. So, the farmers clearly have more choice on who they want to sell. The government's logic, economic expert Gurcharan Das writes in TOI, is that the Agricultural Produce Marketing Committee (APMC) is an obsolete institution from an age of scarcity, meant to protect the farmer but has now become his oppressor, a monopoly cartel fixing low prices for the farmers' produce, forcing distress sales.

The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Bill, 2020:

This Bill makes provisions for the setting up of a framework for contract farming. The farmer and an ordained buyer can strike a deal before the production happens.

According to PRS India, a "Standing Committee on Agriculture (2018-19)" observed the APMC laws needed reforms as cartelization had begun to crystallise due to a limited no. of traders in APMC mandis. Therefore the following law was passed in September 2020.

The Essential Commodities (Amendment) Bill 2020:

The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Ordinance, 2020 allows intra-state and inter-state trade of farmers' produce beyond the physical premises of APMC markets. State governments are prohibited from levying any market fee, cess or levy outside APMC areas.

How will the Bills benefit the farmers?

Gurcharan Das, expert as he is in the field of economics, points out that the three farm laws offer three basic freedoms to the farmer.

1. Defeat the monopoly cartel at the APMC mandi and sell the produce anywhere to anyone
2. Bypass the Essential Commodities Act and be free to store inventory which was constrained so far by stocking limits of ESCA.
3. Free to make contracts and transfer risk to businessmen in deals made over a crop even before yield is made or met.

Why are the farmers upset?

The farmers of Uttar Pradesh, Punjab, and Haryana are angry with the provisions of these Bills as they are afraid that these Bills may be the platform that the government (at the Centre) is setting up for the replacement or scrapping of the otherwise robust support system prevalent in their states for the purchase of their crops. They fear that the Minimum Support Price (MSP) guarantee that was their safety net since the

Green Revolution of the 1960s kicked in, maybe snatched away from under the pretext of giving the farmers more playing ground and better platforms.

The state-government driven crop produce procurement infrastructure in these areas is very good. Procurement through the Food Corporation of India at promised MSP to farmers, which is declared before every agriculture season, encourages farmers to focus on taking more yield.

23 agricultural crops have MSPs, though the governments primarily buy only rice and wheat. Farmers fear the two recent bills as they feel these agriculture reform processes will kill the government procurement process as well as the MSP. And why do we see most protesters from Punjab and Haryana? That is because they are the biggest beneficiaries of this safety net.

MATERIAL METHOD:

This is the descriptive research paper based on secondary data. The literatures are collected from various journals, books, magazines, periodicals, various reports, publications of recent research papers available in different websites.

CONCLUSION:

Every five year plan implemented by the Government of India is emphasizing on food price stability. The poorest sections of the society should be able to buy the required amount of food grains. But at the same time, it was pointed out that the farmers who produce food grains should also get proper compensation. In 1957, the government had appointed a committee to investigate the food grains. As recommended by the committee, the government's policy on commodity prices should encourage farmers to invest more in agriculture and work harder. Farmers should get fair prices to increase agricultural production. In addition to food grains, other policies need to be kept in check.

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