

Agricultural Marketing – An Overview

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Abstract: The paper deals with the concepts related with the marketing of agricultural produce. It covers the function performed in the marketing process of agro produce, the functionaries involved, problems in agricultural marketing in developing countries when compared to the developed countries and the reforms required to rectify the problems.

Key Words: Agro produce, Marketing, Functionaries

1. INTRODUCTION

Agricultural marketing consist of two major concepts viz., “agriculture” and “marketing”. The first concept agriculture aims at producing the agro food products with the use of natural factors for the welfare of human. It is fully depends on natural processing. The second concept marketing refers to the activities that are done by the business organizations to promote their products and services to their targeted customers. In marketing the targeted customers can be attracted and maintained by creating strong customer values for them in the organization. It is possible through, effective market survey, market trending, better customer service and satisfaction, customer focus and continuous follow up.

The concept agricultural marketing includes many activities starts from production process till its retailing. The activities involved are production planning, cropping and harvesting, warehousing, grading, transportation and final distribution. There are varieties of agro products which are produced with dual purpose of domestic consumption as well as exporting. In the chain of agricultural marketing number connecting links such as farmers, suppliers, functionaries, importers, exporters, external beneficiaries and customers are involved.

2. DEFINITION OF AGRICULTURAL MARKETING

According to the National Commission on Agriculture (XII Report, 1976), agricultural marketing is a process which starts with a decision to produce a saleable farm commodity, and it involves all the aspects of market structure or system, both functional and institutional, based on technical and economic considerations, and includes pre- and post-harvest operations,

assembling, grading, storage, transportation and distribution.

3. FUNCTIONARIES IN AGRICULTURAL MARKETING

Functionaries’ involvement in agricultural marketing has categorized under three market stages. They are functionaries in:

- Primary market
- Secondary market
- Terminal or Export market
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Primary market functionaries: The producer/farmer/cultivator, pre-harvest contractor, itineray merchants, transport agents.

Secondary market functionaries: Financial agents and processing agents are involved in secondary market in addition to primary market functionaries.

Terminal or Export market functionaries: in addition to primary and secondary market functionaries commercial analyst and shipping agents are also involved in this market stage.

4. FUNCTIONS OF AGRICULTURAL MARKETING

The major marketing functions involved in agricultural marketing are:

- Concentration
- Grading
- Processing
- Warehousing
- Packaging
- Distribution

Concentration: The foremost function to be performed in agricultural marketing is to collect the agro produce ready to sale in a central place for economic buying purpose.

Grading of Agro Produce: Grading is the process of segregating the huge amount produce into different categories on the basis of variety, quality, size, etc. This can help to establish standards for those produce.

Processing: It is the stage where the farm products are transformed into consumable products. For example: paddy into rice processing.

Warehousing: Warehousing is storing the products from production till its final consumption. This helps to preserve the products from spoil, contamination, etc.

Packaging: Packaging of products is another essential function for easy handling, preventing from deterioration, attracts customers, etc.

Distribution: The last function performed in all marketing is distribution of products from the place of warehouse to retail outlet for final consumption.

5. IMPORTANCE OF AGRICULTURAL MARKETING

- Break the vicious circle of poverty
- Optimum utilization of agricultural resources
- Enhance the standard of living
- Basis of employment opportunity
- Basis of industrial development
- Creation of utilization
- Basis of foreign trade
- Source of national revenue
- Create the environment for investment

6. PROBLEMS IN AGRICULTURAL MARKETING IN DEVELOPING COUNTRIES

Product Quality: Many of the farmers are not aware of the need for quality seeds and fertilizers. The poor quality seeds and fertilizers used in land will result in poor product quality.

Market Information: The literacy rate of farmers in developing countries are comparably low than the developed countries. The farmers of developing countries may not have the updated knowledge of the market trend and activities. Hence they may unable to achieve the real price of their product.

Product Quantity: In some places improper measuring of products are still in practice. This will result in loss for the farmers at the time of buying or selling of agro produce.

Functionaries Participation: The functionaries in the marketing process hold a major share of profit in the form of commission.

Lack of Transportation Facility: Many of the rural

areas don't have proper road facility. This creates barrier in transporting the agro produce to the market place.

Inadequate Storage Facility: The inadequacy of storage facility may leads to unwanted wastage of products.

7. REMEDIAL MEASURES

- Make arrangement for education and awareness program for rural farmers in order to improve their knowledge in improving agro produce and its marketing process. These programmes will help to educate the farmers in usage of quality inputs, online help for productivity improvement, etc.
- Implement the rural development program in fast track to develop the infrastructural facilities such as road facility, communication facility, electricity, etc., in rural areas. This will help for easy transportation of agro produce to the market place.
- Creation of direct contact network between the farmers and customers will help in reduce the so much functionaries involvement and also to reduce the unnecessary brokerage or commission to the functionaries. This may increase the profit of the farmers. This can be possible by creating local outlets in villages.
- It is essential to provide subsidized power supply and loans to the farmers as the expenses towards power consumption takes considerable amount of investments.

8. CONCLUSION

The agricultural marketing plays a vital role in easy way agro produce 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. In order to avoid isolation of small-scale farmers from the benefits of agricultural produce they need to be integrated and informed with the market knowledge like fluctuations, demand and supply concepts which are the core of economy.

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