

## **INTRODUCTION OF MARKETING STRATEGIES IN INDIAN AGRICULTURE: A REVIEW PAPER**

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### **Abstract**

In India, the majority of the population remained directly or indirectly living off agriculture. The system of Indian agriculture has undergone many changes. India, a farming economy in particular, has healthy indicators of agrarian transition and associated activities. As other industries rely on it, India viewed farming as a precious tool for economic growth. Efficient integration of agriculture backwards and forward has led to the globally competitive cost and quality production system. Cooperatives are apparently in a good position to coordinate product differentiation and integrate them into profit production activities on farm level. Indian agriculture, through proper and better management practices, can be balanced and productive. This study highlights past and current scenarios, obstacles and potential suggestions for agricultural marketing prevalent in India. In addition, the marketers should effectively exploit the opportunities offered by agricultural marketing..

**Key words:** Agriculture, Cooperatives, India, Marketing, System.

### **Introduction**

Trade functions involving the transition from producer to consumer of agricultural commodities comprising of agriculture, horticulture and other products can be defined as agricultural marketing. Marketing of the agriculture involves all activities related to the transportation, time, space and type of agricultural products (storage), processing, transports and transfers of ownership on different levels of the marketing networks from producers into consumers. The Indian economy's backbone is agriculture. 170 million people are working in agriculture out of 320 million people. It is not only supplies a large population of India with food requirements, but also earns successful returns. The growth in Indian agriculture after independence was significant and fast, at a rate of 2.6% a year. India is the world's leading producer of milk [1].

India is second in rice, wheat, groundnut, and tobacco production and third in coffee production. India is the world's second most arable country, but the low productivity issue, as composed of world standards, the yields is only 30% per acre for each crop. The technology in India is appropriate but not completely implemented because the knowledge of our producers is insufficient. Manufacturers believe well revenues when they put their effort in their field all day, however they don't get better returns. Marketing for agriculture should be organized and prepared well. Agricultural markets have weak infrastructure, bad transportation and communication, restricted legal system, financial constraints, etc., in developing countries such as India. This results in a failure of the economy. Focus on business failure offers a way for liberalization geared towards the market to correct prices and institutions.[2].

This establishes government-owned marketing boards, distributors and marketing chains, from lending companies to farm cooperatives and wholesalers. Only if the State contributes to boost the competitive marketing process is the producer able to access fair prices. In the meantime, the marketing institutions must make transactions with producers as effective as possible and transparent as far as retail/consumer prices are concerned. The transition from agriculture to marketing is natural, but certain external factors can slow down, such as agricultural policy, market imperfection, overall living standards, etc. Indian farm planners need to pay attention to market demand for agricultural products. In comparison with the current emphasis on development guidance, the agriculture industry can now try to achieve more business orientation both nationally and internationally[3].

## **Literature Review**

A large number of researches were carried out in India by academics and researchers on the work and results of agricultural marketing. The literature collected by the researcher is summarized briefly in this section in the form of reports and study studies.

Johnston and Mellor et al. investigated in their paper about the commercial demand for agricultural products is rising because of revenue and population growth, urbanization and liberalization of trade. As output, process and distribution systems are increased after harvest due to increased productivity, market supply is increased[3]. Hoff et al. stated in his paper that the reconstruction of new market-complementary agricultural institutions and the State therefore constitutes a fundamental element of rural development in response to the de-institutionalization of rural areas following the state compression. Rural development It was organized as private or cooperative organizations[4].

Grosh et al. thought that the focus has shifted to more micro and institutional policies since the turn of the millennium. The main purpose of contractual agreements between farming associations and downstream transformative, agro-exports and retailers is to address the market imperfections leading to macroeconomic and sectorial adjustment policies failing. [5]. Reardon and Barret et al. discussed in their paper that increased production, especially export crops, is stimulated when market reforms increase commodity prices. Price hikes are encouraging the establishment of retail chains, cooperatives, export networks, manufacturing sectors and general incentives for agro-producing countries in developed countries[6].

Sivanappan et al. addressed that the reconstruction of current post-harvest processing, development of adequate facilities of infrastructure will save a huge number of exchequer countries and further contribute to feeding the crowds of the country's population[7]. Dunn et al. said in his research that In countries like China, India and South Africa, private companies have now played a dominant role in developing better grain varieties, inputs, after harvest operations and supermarkets[8]. Although the key purchasers of output and suppliers of input continue to be state entities within the cooperative management authorities but members interest and decision-making on the farm was much greater.

Ramkishen et al. claimed in his research paper that the producers' good price was deprived in the peak marketing season because of poor food processing techniques and storage failure, while consumers would unnecessarily pay a higher price in the lean season[9]. V. Basil Hans et al. discussed that this is a development that, according to his paper, should be the premise of India's future agricultural reform that the positive trend in economic liberalization and subsequent opening of the Indian economy have reduced systemic rigidities in this framework significantly. Agricultural industry has been influenced strongly and directly by the foreign market. In order to meet international requirements, Indian farms need to produce products of quality[10].

Kashyap and Raut et al. claimed in their paper that, innovative strategies like e-marketing should be designed in order to address rural obstacles like physical delivery. E-marketing provides a "anytime-anywhere," effective price discovery, transaction economy open market and competitive environment [11]. Brithal et al proposed that, with the use of state-of-the-art technology, it would be possible to provide value-added food to the population while at the same time guaranteeing pay prices to farmers[12]. The contribution of agriculture to the development of a country is focused on both industrial growth and farm production, which enables other areas to develop domestically and internationally manufactured goods.

## **Discussion**

### **3.1 In India, traditional sales methods prevail:**

India has a long tradition of daily markets, mostly in rural environments. Primary rural markets are mainly regular markets for small-scale and marginal farmers, which are estimated in the country from 20,000-45,000 inhabitants for the commercialization of their crop production and supplies such as haats, shallows, mandis, pain and fairs. The following approaches are used for selling agricultural products on these markets. In most rural

areas of India, the Hatha scheme existed decades ago, while the buyer and the seller's commission agent settle the price of goods. It uses codes to set the price of the goods. At the convenient time and after reviewing the sample product prices are provided, pickers are offered to the commission agent's shops for private negotiations. Private deals between buyer and seller are still taking place in villages.

To the buyer's workshop, the commission agent shall take a sample and the purchaser shall make a quote. The goods are marketed to the highest supplier. Dara Sale is another form of selling agricultural produce where it is mixed and then sold as a single lot. During Moghum the commodity is sold on the basis of oral agreement entre the buyer and the seller free of pre-settlement prices. Potential buyers meet in a shop for commission agents, where they collect, inspect and bid a lot of agricultural products, and sell their products to the higher bidder. The product is shown in the shop of the commission agent of lot dimensions in the closed tender system. After visiting the store, the buyers will check the products and prices on a paper slip and put the slip into the sealed box for purchase at the commission officer's shop, then notify the highest bidder and product is traded. Jalap sale is another way where traders try to buy the crop at a much cheaper price. State trade plays an essential role in buying farmers' agricultural products at set procurement rates, without taking any additional risks or expenses. This is the aim of the government to allow for a centralized, fair production distribution and better returns for manufacturers.

### **3.2 Indian Cooperative Movement:**

Cooperatives were formed because people have common requirements, vendors, consumers, employees, borrowers; the providers/distributors thought that their joint efforts and investment were to be met by them. The overall objective of the cooperatives is to achieve profit and cost proportionately to the usage of resources for the benefit of members who similarly use their services. Cooperative marketing in India was one of the attempts to get higher products prices. Reserve Bank of India has institutionally described cooperatives and defined the cooperative marketing company as 'growers' association which mainly helps members to sell their products more profitably than they can through private trade.

Founded in 1958, a cooperative commercialization for farm products through a single branch and the cooperative farmers' marketing network is promoted by the National Agricultural Cooperative Marketing Federation of India Limited. It collects agricultural products directly from farmers on controlled and medium-sized marketplaces. In India, the continuing coordinated effort in three areas commodity and industry developments, integrated technology models for the supply chain evolutions and promotion regulation of these processes has resulted in simultaneous steps. One of those models that have achieved success in the growth of India's milk industry is Anand Pattern co-operatives (APC). Also a fruitful outcome is the organization of the Chicory contract for agriculture that began in 1956 at Jamnagar Gujarat.

Also one of the active rural development projects in Kerala is the Kerala Horticulture Development (KHDP). The Self-Help Groups (SHG's) were used by 41,000 vegetable and fruit farmers in 1886. National Agricultural Co-operative Marketing Federation of India (NAFED) of India is the highest organ of the national cooperative marketing system. The Maharashtra Grape Growers Association is one of the oldest, active associations/co-operations of farmers (Maharashtra Rajya Draksha Bagitdar Sang MRDBS). Small Farmers Agriculture Consortium (SFAC) operating from 1994-1995 is also the public intervention to promote cooperation. Under the RBI Act of 1934, it was declared a financial institution, and it was classified as a public-private joint venture corporation. It offers both forward and reverse link to farmers. Cargill India not only offers farmers a reliable marketing source, but excludes farmers from fees, commissions and brokering. It is a private sector programme aimed at reducing agricultural marketing inefficiencies and intermediaries. The of Khadi Gramodyog board of Madhya Pradesh Board and Hindustan levers limited have entered into collaboration between the public and private sectors. The company was launched to support the "Vindhya Valley" umbrella brand and is to market the products of the boards in Hindustan Lever Limited across the world.

The first department store was opened in 1978 by a Milk Cooperative Society named Warna Bazar, which has now over 40 retail stores. It's a one stop shop to buy farm goods for consumers and other Fast Moving

Consumer Goods (FMCG's). The number of the Marketing Boards has decreased since 1980 and has flourished in developed countries in the 20th century. These are monopoly and monopoly-type state-owned and operated marketing boards. These give farmers a guaranteed market that absorbs and maintains all market surpluses. These marketing boards are non-competitive and are considered inefficient marketing and slow price discovery. The Indian National Parliament Act of 61 of 1981 authorized the establishment of the National Bank for Agriculture and Rural Development (NABARD).

The NABARD is the highest body aimed at agricultural in addition to rural development financial requirements. The bank has been operating for the benefit of farmers since 5 November 1982. The Indian Government is also working on an amendment with the state government to the Agriculture Produce Marketing Act (APMA) which provides that farmers directly sell their products to potential manufacturers. West Bengal, Maharastra, Madhya Pradesh, Uttar Pradesh, Bihar, and Andra Pradesh have the most regulated markets, accounting for 53% of all regulated markets. Punjab and Haryana account for 9.5% of the country's overall controlled markets. These controlled markets can be found all over the country. NGO's have also taken part in agricultural development initiatives. Bhartiya Agro Industries Foundation (BAIF), Professional Association for Development Action (PRADAN), and Action for Food Production (AFPRO), all of which work for agricultural welfare, were established in 1967, 1987, and 1966, respectively.

Agriculture remained in India, as supply powered by the declination of the producer. As humans entered in the 21st century, Indian agriculture would need to focus and resolve several issues in order to create novel openings for manufacturers and customers. Ideally, the existing supply-driven production mechanism could eventually transition to a demand-driven system. In order to achieve market orientation, the agricultural production system needs to be linked to the preferences of customers, processors and producers. Better price knowledge flows and easier access to the market could contribute to much needed market orientation for productive systems.

### **3.3. Recent Development:**

New inputs and new innovations have emerged on the marketplace. Agriculture is moving from a deficit to a surplus one. Novel marketing strategies such as contract farming, which give farmers better returns, are apparent. Now a few days, contract agriculture is more accomplished. The Tata's, The Birla's, Mahindra and other businesses are joining the farm sector and expanding it. Commercial banks and regional banks have a huge strength of 68,000 plus branches in funding agri-business projects. With the emergence of the latest and newer regions, Agri-Business is not only open to individuals but also to organizations for rentable operations. The task of transforming research results and discoveries into tangible program and policies of action has been entrusted to administrators in both the public and private sectors. Cooperatives, panchayats, non-governmental organizations, and the Media must all work together to spread awareness and improve market access.

In reducing cross boundary agricultural production and increased transparency of the financial markets tariff and non-tariff barriers to the bilateral, regional, and trade agreements, the capital flow to developing countries is improved in particular through foreign direct investment (FDI). In addition, since the 1990s, FDI liberalization has provided numerous opportunities in developing countries for investment in post-harvesting and farming, thereby encouraging increased market efficiency and effectiveness, convergence of scrappy markets that provide product modification through variation, value ads, and expertise change. Such marketplace liberalizations and globalization created chances for India's agro-food market transformation. Innovations in institutional areas such as contract farming, manufacturing associations and supermarkets are also evident in the food and distribution systems. The Agriculture Produce Marketing Committee (APMC) covers 7161 wholesale markets in India, from 7310. According to APMC, goods brought for sale by farmers are held open at the auction floors, where buyers are entitled to bid prices and the highest bidders in the presence of the APMC officials and the commission officers.

National Spot Exchange Limited (NSEL), which has its headquarters in Mumbai, is another nationalized form of crystal clear, electronic advertisement conversation in 2005. It is a modern sector that provides individual solutions for a wide variety of issues that farmer, producer, supplier, retailer, lender and investor's faces. The

Indian Public Distribution System (PDS) is older than any other system in the country, but it covers a larger area. PDS services are used by an estimation of 4 crore of the 11.2 crore households. Wheat, rice, sugar, edible oils, and other necessities are distributed by PDS. Food Corporation of India (FCI) transports major quantities to its storeroom and then with the help of PDS sell the goods through its 4.76 lakh Fair Price Shops, which is the world's largest of its kind.

The e-seva Kendra of the Grameen Sanchar Society (GRASSO) offers agro-related services such as market access, agricultural product prices, cold storage availability, labor availability, and job opportunities. In West Bengal, Odisha, and Jharkhand, it is the bulk franchisee of Bharat Sanchar Nigam Limited.

AGMARKNET- The internet-based information system would play the role of information services providers, link remote marketers to the 'single window,' facilitate effective marketing and provide services that catering for the diversity of information demands through the creation of information and data infrastructure. Many other areas of agricultural marketing are known to consumers, such as great prices performance practices and information is imparted in areas such as consumer-oriented development systems, management of after harvest operations, business funding, value and reliability insurance, packaging and label storage or transport, contract farming and direct marketing.

Export Development Authority for Agricultural and Processed Food Products, is an autonomous organization to the Ministry of Commerce of India. It serves as a connection between Indian producers and global markets and offers monetary support for agricultural export development under different schemes. It has a comprehensive database from all major cities and large cities on Indian exporters of Agro products. ITC's e-choupal (Indian Tobacco Company's e-choupal) has also had a lot of success in agricultural marketing. In order to give farmers real-time demand and price information and to point out arbitrage opportunities for sales between different mandates, ITC has set up a small internet kiosk in the village. It similarly contains data on input availability, weather, and market conditions, among other things. ITC assumes that by intervening in this chain, they were able to increase crop realization by 10% to 15%.

Mahindra and Mahindra Limited, India's largest tractor manufacturer, has joined the private sector by establishing a subsidiary, Mahindra Shublabh Services Limited (MSSL), which operates Mahindra Krishi Vihar (MKV), which opened in Tamil Nadu, Madurai, in 2000's October. It offers agriculture extension services and buys a lot of agricultural produce from farmers in Odisha's Krushak Bazaars, which sell for 4-41% more than wholesale market rates. In the year 2000-01, the Odisha government built 40 Krushak Bazaars across the state. The farmers are involved in the price fixing policy in these Bazaars.

In Pune, there is no commission officer and the buyer makes a direct payment to the farmer for the Hadaspar vegetable market. The buyer makes a model to directly market vegetables. Trading of 54 agricultural commodities came into being in 2003. A major initiative for diversifying agricultural marketing was launched in May 2005 in the national horticulture mission. DCM shiram consolidated Haryali Kisan Bazaars are other initiatives. In Maharashtra and Gujarat, the Company of Godrey operates a chain of shops called Adhaar. These serve as a stop shop for agricultural products selling by farmers. Farmers can learn more about the production and marketing of agricultural commodities on the websites [ikisan.com](http://ikisan.com), [krishivihar.com](http://krishivihar.com), [agriwatch.com](http://agriwatch.com) and [commodityindia.com](http://commodityindia.com).

### **3.4 Problems and Challenges:**

In the selling of agricultural products, there are many problems and obstacles. Limited market knowledge access, low level of farmers' literacy is one of the main problems. The marketing method of agricultural commodities in India is also fraught with many imperfections. There has been so much to boost India's farming sector, but it still faces many problems. Some of them are:

- a) Agricultural policies are threatened by fiscal and political uncertainty, because of political disagreements and economic understanding in cultivation.

- b) Local mandate for food is increasing because of increasing population and our exports are being limited.
- c) Human development and business development
- d) Intermediation of the private dialects and multi languages.
- e) Natural disasters in the region, dryness and uneven precipitation.
- f) Commercial agriculture subsistence agriculture. Provision of driven demand technology.
- g) Land holdings minimization.
- h) Failure to communicate properly.
- i) Weakness in infrastructure.
- j) Less attention in the newspapers.
- k) Failure of management professionalism.
- l) The absence of knowledge on the business and marketing.
- m) Failure to educate villagers about modern agriculture.
- n) The institutional markets are inadequate.
- o) Various market prices in the industry and abusive procedures.
- p) Failure to provide professional instruction.

India is the third biggest fruit producers [27.83MT] and the second largest vegetable producers in all over the world [54MT]. Our contribution to global floricultural exports currently stands at 0.31 percent. Green House technology, rapid transport, logistics and great marketing strategies will improve this contribution. India is only capable of handling 0.5% of the overall annual output of its current post-harvest capability. However, it can be enhanced through the provision of infrastructure centers for the industry. In the absence of post-harvest processing, fruit and vegetable losses are net worth of Rs 300 crores per year. The country must therefore not miss out on diversifying and marketing agriculture, bringing value to production, creating employment and generating income and exporting processed food. Agriculture by information and communication technology can also be widely promoted.

## **Conclusion**

There is a strong need for broad and coordinated agro-marketing programme. Two aspects of a marketing network and real market management regulations should be covered by the current market. A change in the way agricultural and consumer relations are interconnected results in the need to strengthen the controlled market system. Better and easier consumer access and productive knowledge flows have been noted, and the production system can provide much needed market orientation. The move from commoditizing to marketing leads to consumer orientation in Indian agriculture. India boasts the world's largest network of agri-business cooperatives, which engage in agricultural produce production, procurement, and marketing. These have been of crucial importance in our economies. In order to improve a marketing network and ensure that competitive prices and markets are not skewed, the Government should review its policies and regulations. Modern ICTs are used to facilitate marketing functions and procedures, such as purchases and sales, payments, ratings, standardization and transport.

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