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**“EMERGING TRENDS & CURRENT PERSPECTIVES OF AGRICULTURAL MARKETING SYSTEM IN INDIA”**

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**Abstract:**

*The agricultural marketing system provides important linkages between the farm production sector and the non-farm sector. It covers series of activities such as harvesting, assembling, sorting, post-harvest management practices, packing, grading & standardization, transportation, storage, distribution, etc. and agencies involved in procurement of farm inputs & movement of agricultural products from the farms upto the end consumers. Marketing of agriculture produce is the most important activity as agricultural production. The Government has also introduced so many initiatives in the recent past years to make agriculture marketing system in the country more effective and efficient through reforms in agricultural marketing facilitated by the APMC Model Acts circulated during 2003 and 2017, electronic National Agriculture Market (eNAM) Platform, Regulated Markets (APMCs), and regulations in agri-warehousing sector. This research paper covers the study of marketing reforms, improvement in marketing system and focus mainly on the current and emerging marketing methods with respect to marketing of Agricultural commodities & farm products. The present paper is based upon study and information collected from secondary data which is collected from different sources such as research papers, journals, reports, newscuttings, magazines, etc. Agricultural marketing system is an efficient way by which the farmers can dispose their surplus produce at fair and reasonable prices, which brings Improvement in the financial condition of farmers which also helps to meet the demand and expectation of the consumers.*

**Keywords:-**Agricultural Marketing, Regulated Markets, electronic National Agriculture Market (eNAM) Platform, marketing reforms, procurement.

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**Introduction: -**

Agriculture is the primary source of livelihood for about 58% of India's population. Agriculture & allied activities plays a major role to support and considered as a backbone of Indian economy by contributing about 15 percent of national Gross Domestic Product (GDP). The present system of Agricultural marketing in India is unable to give proper remuneration to producers (farmers) and hence it is a need of an hour to promote, transform and to emerge current defective marketing system which can give appropriate remuneration to producers (farmers) and simultaneously preserve the interest and expectation of the consumers. Agricultural marketing comprises all operations, activities which are involved in the movement of farm produce from the producer to the ultimate consumer. The policy reforms and development in agricultural sector should now focus to attempt and to achieve greater market orientation nationally and internationally compared to its

current focus on production aspect. The transfer of ownership, physical movement and facilitative functions of the product are the major functions agricultural marketing. Agricultural Produce Market Committee act has been introduced by the respective state government for the regulation of the Mandis. APMC act also facilitates the contract farming, infrastructure development and encourages public-private partnership in Agricultural marketing. In India, several central government organizations & institutes are involved in the governing & formulation of rules and regulations related to agricultural marketing like, Commission of Agricultural Costs and Prices, Food Corporation of India, Cotton Corporation of India, Jute Corporation of India, Directorate of Marketing & Inspection, State Trading Corporation, Agriculture & Processed Foods Export Development Authority, Marine Products Export Development Authority, Silk Export Promotion Council, State Agricultural Marketing Board,

National Co-operative Development Council, National Agriculture Co-operative Marketing Board, etc. There are also specialized marketing & regulatory bodies for different Agricultural commodities like National Horticulture Board for Horticultural crops, National Dairy Development Board, rubber, tea, coir, coconut, coffee, silk, tobacco, spices and cardamom board. National Agriculture Market or eNAM is an online trading platform for agricultural commodities in India. The market facilitates farmers, traders and buyers with online trading in commodities. The eNAM is linked with 1000 markets (APMCs) in 18 states and 2 union territories. The market is helping traders and exporters in procuring quality products in bulk, at one place and ensures transparent financial transactions. Indian agriculture has been transformed from traditional production to agribusiness industry, from pure production to a broader concept including input supply, farm machinery, production, food-processing, marketing and distribution of farm products and other services. The process of Marketing of agricultural commodities, products is unique & has its own special characteristics which make it very risky & complicated. Agricultural Marketing process passes through three stages:- Pre-harvest operations, Harvesting operations & Post-harvest operations. Agricultural Marketing system comprises two types of Marketing: - Input Marketing and Output Marketing.

#### **Review Of Literature:-**

Ramkishan (2004) in his research paper argued that because of the lack of food processing and storage, the grower is deprived of a good price for his produce during the peak marketing season while the consumer needlessly pay a higher price during lean season. Kashyap and Raut (2006) in their paper suggested that, marketers need to design creative solutions like e-marketing to overcome challenges typical of the rural environment such as physical distribution, channel management promotion and communication. The “anytime-anywhere” advantage of e-marketing leads to efficient price discovery, offers economy of transaction or trading and more transparent and competitive setting (Poonam, 2017) There are various actors involved in agricultural produce marketing such as farmers, traders, wholesalers, processors, marketing cooperatives, regulated market committees, importers, exporters and retailers. Prasad (1985) undertook a study on the role and working of selected regulated markets in Andhra Pradesh. Pathak (2009) in his research paper stated that the contribution of

agriculture in growth of a nation is constituted by the growth of the products within the sector itself as well as the agricultural development permits the other sectors to develop by the goods produced in the domestic and international market. Jairath M. and Yadav H. (2012). Role of ICT in Decision Making in Agricultural Marketing -A Case of Arid India. *International Journal of Agricultural Economics*, 67(3):377-384. Kadrolkar V. (2014) Agricultural marketing in India Role of Agricultural Produce marketing Committee (APMC).

#### **Methodology**

This paper is based on the secondary data information which is collected from different secondary source of information like various published research papers, websites, published annual reports on agricultural marketing etc

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### **3. Results & Discussions:**

#### **A) To study the Current Perspectives and different systems of agricultural marketing prevailing in India as mentioned below:**

##### **(i) 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 moneylenders 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 is sold in village markets due to absence of organised markets.

##### **(ii) 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 fair.

**General Markets:** A market in which all types of commodities, such as food grains, oilseeds, fiber crops, gur, etc., are bought and sold is known as general market. These markets deal in a large number of commodities.

**Specialized Markets:** A market in which transactions take place only in one or two commodities is known as a specialized market. For every group of commodities, separate markets exist. The examples are food grain markets, vegetable markets, wool market and cotton market.

**(iii) Sale in Mandis:**

The third form of agricultural marketing in India is to sell the surplus produce through 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'.

**(iv) Co-Operative Marketing:**

The fourth form of marketing is the co-operative marketing where marketing societies are formed by farmers to sell the output collectively to take the advantage of collective bargaining for obtaining a better price. National Agricultural Cooperative Marketing Federation of India Limited set up in 1958 promotes cooperative marketing of agricultural produce for the benefit of farmers through its own branches and the cooperative marketing network. It collects agro products directly from farmers in regulated markets eliminating middleman.

**(v) Regulated Markets:** Markets in which business is done in accordance with the rules and regulations framed by the statutory market organization representing different sections involved in markets. The marketing costs in such markets are standardized and practices are regulated.

**(vi) Unregulated Markets:** These are the markets in which business is conducted without any set rules and regulations. Traders frame the rules for the conduct of the business and run the market. These markets suffer from many ills, ranging from unstandardized charges for marketing functions to imperfections in the determination of prices. This paper is based on the secondary data information which is collected from different secondary source of information like various published research papers, websites, published annual reports on agricultural marketing etc

**B) To study the marketing reforms, improvement in marketing system and Steps Taken for Improvement of Agricultural Marketing in India:**

Market Foreign Direct Investment (FDI) trade sector liberalization reducing tariff and non-tariff

barriers opened up the new avenue and new dimension for agricultural marketing in the country. It opened up many opportunities for the agro-based product and raw material marketing and exports of the products. NSEL (National Spot Exchange limited) is a type of nationalized transparent electronic spot exchange it headquarters in Mumbai for solving many problems for agriculture producer. With the emergence of new inputs and new technologies in the market. Agriculture has changed its scenario from deficit oriented to surplus oriented sector. New methods of marketing like Contract farming, E-commerce in Agricultural Marketing, Foreign Direct Investment (FDI), AGMARKNET, APMC Act, e-NAM Platform are prevailing which provides farmers with better returns for their produce.

**In the meantime, the Government has taken following important steps for the improvement of agricultural marketing in India:**

**(i) Agricultural Marketing Infrastructure (AMI):-**

To develop Agricultural Marketing Infrastructure including Storage infrastructure, the Ministry of Agriculture & Farmers Welfare is implementing a capital investment subsidy sub-scheme "Agricultural Marketing Infrastructure (AMI)" under Integrated Scheme for Agricultural Marketing (ISAM).

Under this scheme a network of rural godowns will enable small farmers to enhance their holding capacity of their produce in order to sell their produce at remunerative prices and avoid distress sales.

**(ii) National Agriculture Market:-**

With the objective to usher reforms in the agri-marketing sector and to promote online marketing of agri commodities across the country and to provide maximum benefit to the farmers, the Government has approved a scheme to implement National Agriculture Market (NAM).

Under this scheme, a web based platform has been deployed across 585 regulated markets to promote online trading, digitalization of entire functioning of markets outline gate entry, lot making, bidding, generation of e-sale agreement and e-payment etc., in order to remove information asymmetry, increase transparency in the transaction process and enhance accessibility to markets across the country.

**(iii)E-NAM Electronic (National Agriculture Market):-**

E-NAM (National Agriculture Market) is an online trading platform for agriculture produce aiming to help farmers, traders, and buyers with online trading and getting a better price by smooth marketing.

**Small Farmers Agribusiness Consortium (SFAC)** is the lead agency for implementing eNAM under the aegis of Ministry of Agriculture and Farmers' Welfare, Government of India.

**(iv)Farmer Producer Organizations:-**

The government of India has launched a new dedicated Central Sector Scheme titled "Formation and Promotion of Farmer Producer Organizations (FPOs)" with a clear strategy and committed resources to form and promote 10,000 new FPOs. It is a **Producer Organisation (PO) where the members are farmers. Small Farmers' Agribusiness Consortium (SFAC)** is providing support for the promotion of FPOs.

**(v)Food Corporation of India (FCI):**

The Food Corporation of India was setup under the Food Corporations Act 1964, in order to fulfill following objectives of the Food Policy. Since its inception, FCI has played a significant role in India's success in transforming the crisis management oriented food security into a stable security system.

It was formed with a larger plan directed towards National food security and self-sufficiency and simultaneously distribution of food grains throughout the country for a public distribution system.

**(vi)Agricultural Produce Market Committee (APMC):**

The wholesaling of agricultural produce is regulated by the Agricultural Produce Marketing Acts of various State Governments. Agricultural Produce Market Committee (APMC) Act authorizes the concerned State Governments to notify the commodities, designate markets and market areas where regulated trade takes place and provides for the establishment of APMCs that are accountable for the functioning of the markets. An entire state is divided and declared as a market area, where markets are governed by the Market Committees that are constituted by the State Governments.

**4.Conclusion :**

The need to strengthen the regulated marketing system arises from changing nature of linkages between agriculture and markets. The present market must cover aspects of marketing network and actual regulation of the conduct of market. It

has been observed that better and easy market access and efficient information flow can bring much desired market orientation in the production system. New Agriculture marketing reforms like Agricultural Marketing Infrastructure scheme, APMC Model Act, Farmers Producers Organisation, Contract Farming and integration of markets like E-NAM Electronic (National Agriculture Market), National Agriculture Market (NAM), AGMARKNET, I-SHAKTI, ITC e-choupal and IFFCO portal etc. will act as major reforms in the prevailing system of Agricultural marketing. There is an eminent need for the Agri-marketing initiatives to be enlarge and organized. Indian agriculture is moving from commoditization to commercialization which drives its growth and scope towards market orientation activities.

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