

Agricultural Marketing Reforms in India

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Abstract:

In the present paper, based on the primary data and mostly on the secondary data obtained through online reports and journals, the researcher attempts to find out the factual information about the government reforms of agricultural marketing and their benefits to the farmers of India. The research paper explores the present situation as well as the reforms of the agricultural marketing in India and arrives at the conclusion that there is remarkable growth in agricultural production and the government measures to support agricultural marketing in India. However, the increase in the income of farmers is far behind the growth in farm production. The researcher puts forth the conclusion that the government of India should implement additional supporting schemes to strengthen agricultural sector and reforms in marketing should reach all rural markets in India.

Keywords: agricultural, marketing, trends

Introduction:

The primary sector of Indian economy consists of agriculture and allied occupations. Agriculture and allied occupations contributed 19.48 lakh crore (US\$ 276.37 billion) to gross value added during the financial year 2020-21 (Agricultural and Processed Food Products Export Development Authority - APEDA, Department of Commerce and Industry, Union Budget, 2021-22). Agriculture provides livelihood support to major part of our rural working population. The agricultural output depends on monsoon, management, inputs and investment. The rain-fed farming is still complex, risk prone leading to low productivity. With favourable climate, improved inputs and irrigation facilities, the farm production in India has increased but the financial condition of our average farmer has not much improved. These farmers invest unaffordable sums in agricultural inputs like improved seeds, fertilizers; pesticides etc but get comparatively low rates for their agricultural products and remain at the low level of farm income.

Objectives:

The main objectives of the present research work which guided the researcher in proper direction are:

1. To know about the regulation of marketing and storage of farm produce in India.
2. To assess the government schemes and facilities for the marketing of agricultural products.
- 3] To study the use of available agricultural marketing schemes and facilities in the country.

Research Methodology:

The present paper has used, to some extent, the primary data of the researcher's own doctoral thesis which was collected through questionnaire survey and interview method. It is based, to a greater extent, on the latest secondary data obtained through the web-pages, online reports and journals. The researcher attempts to search and analyse the data about reforms relating to the schemes and facilities for the marketing of agricultural products offered by the Government of India. The research paper presents the current status as well as the reforms in Agricultural Marketing in India by descriptive method.

The following hypotheses were formulated after keeping in view the significance of the present research study.

1. The agricultural income of farmers depends on the marketing of agricultural products.
2. The utilization of government schemes and facilities for agricultural marketing is low.

Research Work: Presentation and Analysis of Data

According to the National Commission on Agriculture "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 include pre- and post-harvest operations viz., assembling, grading, storage, transportation and distribution."

The government of India and state governments has implemented various supportive measures for backing up the agricultural sector and agricultural marketing in our country. They can be presented and analysed as follows:

Regulated Market:

A Market Committee is constituted for a regulated market having representatives of producers, market functionaries, co-operatives, local bodies, government officials etc., Market Secretary is the Chief Executive Officer and supported by a host of other officials. The measure of Market Regulation and Agricultural Produce Market Committee aims to bring transparency and avoid malpractices and exploitation of farmers. In India, there are 6,983 wholesale agricultural produce markets and about 22,000 primary rural markets. Out of these, only 6,738 are operative under Market Regulation Acts.

Infrastructure for Storage:

The government of India has implemented measures to create storage infrastructure to simplify the procurement process of farm products and avoid distress sale of farm produce. 'Grameen Bhandaran Yojana' (Rural Godown Scheme) was launched 01.04.2001. As on 31st January 2013, a number of 30,574 Godown projects have been sanctioned with creation of storage capacity of 38.36 million tonnes under the scheme. An amount of Rs.1017.32 crores of subsidy has been released to various banks and Cooperatives through NABARD and NCDC.

Reforms in Agricultural Marketing Facilitated by the Model Act 2003

Provisions of Model Act 2003:

The Model APMC Act 2003 provided for contract farming, direct marketing, setting up markets in private and co-operative sector, e-trading, single point levy of market fee, single registration of market functionaries, farmer-consumer market.

Implementation of Model Act 2003:

Agricultural Marketing, Grading and Standardisation (AMIGS) Scheme was started since 20-10-2004 to provide credit linked investment subsidy for agricultural marketing infrastructure. It was linked to reforms of (i) Setting up Markets in Private and Cooperative sector, (ii) Provision for Contract Farming and (iii) Provision for Direct Marketing. A Committee of 10 State Ministers in-charge of Agriculture Marketing, in 2010 was constituted for the implementation of reforms

Limitations and Requirements:

In 2013, States/ UTs where there is no APMC Act are Kerala, Manipur, Andaman & Nicobar Islands, Dadra & Nagar Haveli, Daman & Diu, and Lakshadweep. States/ UTs where reforms required to be done are Meghalaya, J&K, West Bengal, Puducherry, and Uttar Pradesh.

Reforms in Agricultural Marketing Facilitated by the Model Act 2017

Provisions of Model Act 2017:

Model Agricultural Produce and Livestock Marketing (Promotion & Facilitation) Act circulated in 2017 is comprehensive and have various forward looking provisions like (a) declaration of whole state/ UT as one unified market; (b) APMCs to regulate practices only in respective principal market yards and sub-yards; (c) warehouses to operate as sub-market yards (d) provision of single state-wide trading license; (e) allowing and promoting private wholesale market yards; (f) promotion of farmer-consumer markets; (g) promoting e-trading; and (h) moving to a common national market for farm products.

Implementation of Model Act 2017:

More than 16 states have introduced provision of direct marketing and markets under private/ cooperative sectors. More than 50 private markets have been established/ licenses issued (dmi.gov.in). Unified license is also in important initiative to improve trade activities in regulated wholesale markets. A total of 72260 unified licenses have been issued by more than 20 States/ UTs.

There are around 8500 Farmer Producer Organisations FPOs (including FPCs) established across the country, working on a number of initiatives of State governments, NABARD and other organizations over

the last 8-10 years. A little more than 3200 of them are producer companies, the rest are cooperatives and other associations. According to information compiled by NABARD, there are 4251 FPOs promoted by March 2021, whereas 177 Organisations promoted by NRLM and another 910 Organisations promoted by SFAC.

The portal, electronic National Agriculture Market (eNAM), networks the existing APMC Mandis to create a unified national market for agricultural commodities. It facilitates storage, grading, packing, finance, insurance, promotion and discovery of prices. Small Farmers Agribusiness Consortium (SFAC) is the nodal agency for implementing eNAM under the supervision of the Ministry of Agriculture and Farmers Welfare, Government of India. At present, a total of 1000 markets have been integrated with the electronic portal from 21 States/UTs. It introduced warehouses based trade module and module for the participation of FPOs. About 37 warehouses from Telangana and Andhra Pradesh have already been declared as deemed market.

Limitations and Requirements:

Farmer Producer Organisations require technical assistance, adequate capital, infrastructure, and market links for sustaining their business operations. The portal, electronic National Agriculture Market (eNAM), is not utilized to its full extent by many APMCs, traders, Farmer Producer Organisations and individual farmers.

Exploring Hypotheses:

11] The agricultural income of farmers depends on the marketing of agricultural products. As per the information compiled by the Ministry of Agriculture and Farmers Welfare (2021), India has achieved impressive growth since independence in terms of production of foodgrains (305 MMT during 2020-21), fruits and vegetables (330 MMT during 2020-21) and production of milk (198.4 million tonnes in 2019-20). However, these indicators do not lead to similar growth in the income of the farmers. Taking away the effect of inflation, real farm income just doubled during past 22 years i.e. 1993-94 and 2015-16. (Chand, 2017)

The above factual data confirms that farmers in India face the problem of proper marketing of their farm produce and this factor is the most crucial factor determining the farm income and financial condition of farmers.

2] The utilization of government schemes and facilities for agricultural marketing is low. The reforms provided by the Model Acts 2003 and 2017 for the marketing of agricultural products are not fully implemented in some of the states in India. The platform of electronic portal, e-NAM is not utilized by a number of APMCs. The participation rate of traders and farmers is moderately low in the comprehensive warehouses based trade module and module for the participation of FPOs.

Conclusions:

The measure of Market Regulation could not fulfil its aim to avoid malpractices and exploitation of farmers as many rural markets are still out of its reach. The creation of storage infrastructure is beneficial for farmers but the number of warehouses is inadequate and cannot fully avoid distress sale of farm produce. The agricultural income of farmers has not increased equally with the increase in agricultural production. The way of marketing of agricultural products determines farm income. The government intervention and measures to bring reforms in agricultural marketing are beneficial for farmers. Additional supportive measures are needed to increase the utilization and participation rate of farmers.

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