

PROBLEM AND PROSPECTS OF AGRICULTURAL MARKETING IN NORTH-EAST INDIA: SPECIAL REFERENCE TO ASSAM

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Abstract

Agricultural marketing comprises all activities involved in supply of farm inputs to the farmers and movement of agricultural products from the farms to the consumers. It has basically two processes namely, input marketing and product marketing. Input marketing deals with marketing of farm inputs to the farmers like fertilizers, pesticides, farm machinery, electricity etc. Whereas, product marketing deals with the marketing of agricultural outcome products and the movement flow from farmers, primary traders, wholesalers, importers, exporters and retailers. It plays an important role in not only production and consumption but also in accelerating multiplier effect to the pace of development. The economy of Assam is largely agriculture based with 69% of the population engaged in it. Over the last decades, the agriculture of Assam shows an upward trend including rising the supply of agricultural commodities, increase in urbanization, and increase in income levels. Therefore it is high time to deal with the importance of agricultural marketing for optimization of resource use and output management, widening of markets, growth of agro-based industries, adoption and spread of new technology (ICT), employment creation, and addition to national income and creation of utility. The present study brings out past and present scenarios of agricultural marketing prevailing in Assam. This paper is an attempt to see the challenges and opportunities relating to agricultural marketing in Assam. In future there is a policy requirement of ICT's business strategy for efficient and better management practices of agriculture in Assam.

Keywords: agricultural marketing, multiplier, farm inputs, output management, new technology (ICT), business strategy, efficiency.

Introduction

Agricultural marketing encompasses a series of activities that involve moving the goods from the point of production to the point of consumption. It is a process that includes assembling, storage, processing, transportation, grading and distribution of different agricultural commodities across the country. Agricultural marketing plays a critical part in the socio-economic transformation of India's primarily rural economy. A robust agricultural marketing system, particularly food marketing, is crucial for effective agricultural and rural development. Assam is a heaven for various types of agriculture, generating a diverse range of crops and then turning them into useful products. According to Economic Survey Assam 2020-21, the geographical area of the state is 78,438 sq km of which 98.4 percent area is rural. The contribution to agriculture and allied activities towards Gross State Domestic Product (GSDP) in 2019-20 at current price is 15.64% (Q.E.) and 15.08% (Q.E.) at constant prices, which was 16.21% (P.E.) in current prices and 15.66% (P.E.) in constant prices in the year 2018-19. The contribution to agriculture and allied sector marginally declined due to various factors. The effectiveness of the marketing system is ultimately what determines the success of any agricultural development program. Both food and cash crops are grown in Assam. Rice, maize, lentils, potato, wheat, and other food crops are grown in the state, while tea, jute, oilseeds, sugarcane, cotton, and tobacco are the main cash

crops. North-eastern states, Assam have a distinct agricultural marketing system from the rest of the country. The ownership structure and market functioning in these states are reported to be varied. As a result, the argument advanced by these states is that it is difficult to implement the reforms begun by the government of India in the absence of market consistency. Infrastructure, procurement processes, marketing approaches, and processing facilities are identified as important barriers to rural marketing in the northeast. Marketing of agriculture can be made effective if it is looked at from the collective and integrative efforts from various quarters by addressing farmers, middlemen, researchers and administrators (Vadivelu & Kiran, 2013). There are several complexities involved in agricultural marketing that affect farming and can create large changes in agricultural revenue. Weather, infrastructure, yields, pricing, government regulations, global markets, and all other factors affect both quantity and quality of commodities produced. General types of risks mainly production risk, price or market risk, financial risks should be managed by implementing proper policy implications. Thus, this study focuses on the various problems involved in agricultural marketing and tries to find some prospects by choosing best alternatives in future. A considerable amount of research has been done on the working and performance of agricultural marketing in India, by the academicians and researchers.

(Varangis et al. 2002) in their paper contributed to a change in thinking that moved policy away from stabilization goals toward policies that emphasized the management of risks. They found certain government interventions ineffective and unsustainable and hence emphasized to reevaluate such policies and management of risks. (Yadav p. 2018) stated that improvement in infrastructure and reach promise a bright future for rural marketing in India. These markets should focus on availability, accessibility and affordability. Investing companies should drive awareness programs to educate people about the products. (Sulaiman, 2017) stated that there is a requirement to improve the quality standard, efficiency and cost-effectiveness of agricultural products. In order to provide dynamism and efficiency into the marketing system large investments are required for the development of post-harvest and cold-chain infrastructure nearer to the farmer's field.

Objectives of the study

- To examine the current state of rural agricultural marketing in Assam.
- To determine various issues relating to agricultural marketing in Assam.
- To determine opportunities and policy measures for better management of agricultural marketing in Assam.

Methodology

This study is based on secondary data. This study is descriptive in nature. The secondary data has been collected from published journal articles, Economic Survey Assam, International Journal of Agricultural and Food Science and books related to agricultural marketing.

Challenges in agricultural marketing

Various problems relating to agricultural marketing in Assam hinders effective functioning of the market. The main challenges in the current scenario can be discussed as the lack of a proper transportation system. Farmers transport crops from field to APMC mandis, which is a body of licensed traders set up by the government to ensure that farmers are not exploited by open trade.

But mandis are about 30 to 50 km far away from the farmers and 85.30% are small and medium farmers in Assam. Seasonal blockages of rural roads are constraints in transport of agricultural goods in which a proportion of crops gets damaged. Farmers are still dependent on traditional bullock carts which cannot be transported long distance and hence they have to sell their produce locally at throw away price. Again in mandis where the farmers sell their produce, they are exploited by the middleman and traders. Illiteracy and lack of unity among farmers make them prone to such exploitations. There is a lack of proper crop storage facility, clear crop grading, standardization and pricing policy due to which best quality crops do not give good prices. Farmers frequently lack sufficient knowledge regarding crop prices prevailing in other big markets and mandis on a particular day. Lack of cold storage and warehousing facility leads the farmers to sell crops immediately after harvest often at low price since production and consumption cycles rarely coincide. Due to a lack of suitable banking and credit facilities in rural areas, distribution is also hampered. For credit facilities small farmers in rural areas of Assam still depend on local moneylenders, who charge relatively high rates of interest. Less access to information and communication technology simply ICT in rural areas of Assam hinders in getting most important information tabs for farmers regarding data, weather reports to help the farmers decide what is the best time to sow his seeds and prevent him from sowing seeds at the wrong time. Though some schemes have been introduced by the government for e-marketing in agriculture, it is not properly implemented. Farmers are not aware of such schemes due to less media coverage and lack of proper education and training. Under the changing dynamics of growth, agriculture marketing has to undergo new approaches with the modern outlook and management capacity.

Opportunities in agricultural marketing

With the regulation of agri-market, the government provided to rural farmers facilities to remove the defects of agricultural marketing. However there is a lack behind certain prospects because of which farmers do not get a fair deal from the market. There is some major needed solution to remove the obstacles from agricultural marketing. By improving the transport facilities and expansion of market is needed to villages and mandis. If it is developed it will provide a better connection between remote areas to the big markets. Agriculture produce marketing committees (APMCs) were set up to ensure fair trade between buyers and sellers for effective price discovery of farmers' produce. The Standing Committee on Agriculture (2019) observed that the APMC laws are not implemented in their true sense and need urgent reforms. (Economic Survey of Assam, 2020-21) to assist the farmers carrying vegetables to distant markets, the Assam State Agricultural Marketing Board provides transport subsidies to farmers. However, according to the Standing Committee on Agriculture Report, traders, commission agents, and other functionaries organize themselves into associations, which do not allow easy entry of new persons into market yards, stifling competition. Again the storage facilities are an important element for agricultural marketing. Lack of storage infrastructure near the field after harvest forces the farmers to dispose of their hand earned produce at the earliest and at throwaway prices. An extension of the storage facilities on the farm land, constructing and managing the whole network of warehousing facilities in small towns and mandis is highly needed. It is necessary to provide financial and technical assistance by the government for promoting warehouses, godowns in the villages. As regards to cold storage infrastructure in the state, there are 26 cold storages of which 23 are in

the private sector and 3 in state sector. But still this is not sufficient keeping in view the size of the state and the number of farmers and hence it needs to be increased. There is need to develop co-operative societies for planning, promoting and financing the program of augmenting the storage capacity in various level. Steps may be taken to provide sufficient amount of credit facilities from the financial institutions like rural bank and co-operative banks at a minimum rate of interest to increase farmer's economic conditions and protecting them from the exploitative practices of the village moneylenders. In 2021-22, Rs 19,468 crore has been allocated for interest subsidy, which is 2% lower than the 2020-21 revised estimates (Rs 19,832 crore). In recent times financial inclusions has been taken but not in a remarkable way. According to census 2011, only 58.7% of households are availing banking services in the country whereas the percentage of household availing in Assam is only 44.1%. Therefore there is lot more to be done for expansion of credit facility to reach the marginal and small farmers in Assam so that their products can marketed properly. Many farmers in rural areas of Assam are still not educated which cuts off them to access sites and information. Lack of knowledge of modern technologies hinders them to access proper information about the day to day market prices, demand and supply projections which create a gap between traditional and modern technology. Farmer's crop database which includes the kinds of crops, the size of cultivated area, time of harvest and yield should be managed. Public investment should be gear towards investment in agri-marketing for better practices. There is a need of appropriate instrument for decision making and taking action. According to 2020-21 budgets, India 1000 more mandis across 18 states and three union territories will be integrated with the electronic national agriculture market (E-NAM). E-NAM for agriculture marketing can be regarded as technology which will bring a social change in markets. It requires a strong and standardized grading system for virtual trading. Due to strong grading system there arise challenges for integrating trading activity with E-NAM in a state like Assam. Considering the above facts the importance of AGMARK laboratories for grading quality produce is highly essential. Group of experts who are well versed in computer skills should guide the farmer group regarding the online agricultural production and marketing since most of the farmers lack computer knowledge. (Yadav, Shalendra, & Haque) stated that the vision and determination of government of India and state level authorities (mostly state agricultural marketing boards) in strengthening the agricultural marketing environment through the integration of markets through an electronic platform (E-NAM) can be of the most appropriate moves and need of the hour.

Conclusion

Agriculture plays the chief role of revenue earning in Assam economy. To increase the amount of information provided to all participants in the agricultural sector and to reduce the risk related to supply chain, there is a need to all the farmers, scientists, researchers together by establishing agricultural markets online through exchange of ideas and information. Public investment should be done towards research and development, ICT in agriculture, farmer's awareness programs which will help to grow both small and marginal farmers to access and expand the market segment. Implementation of government initiatives need to be powered to face the emerging scenario of complete or partial deregulation of the agricultural market in Assam for better agricultural environment and to exploit possible opportunities for exports.

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