



A Study Of Marketing Challenges Faced By Agro Producers Through Agricultural Produce Marketing Committees In The Of Maharashtra

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Abstract

The production and marketing aspects of agricultural products are two sides of the same coin. Marketing oriented production would be the key to success than production based marketing. In the current distribution of agricultural products, the agricultural and related departments dealing with product efficiency are completely separate from the marketing organization. This caused a visible lack of integration in the planning and implementation of different systems at the district level. In the marketing of agricultural products, there is a need for convergence between agriculture and related departments. This requires a convergence of systems and resources to explore synergies for the benefit of farmers. The current system seems to indicate that the existing deficiencies on the marketing front are mainly due to the lack of coordination between the production and marketing departments. The objective of this literature review is to examine the gaps and deficiencies of various agricultural marketing infrastructures, their geographical distribution in the state of Maharashtra to enhance marketing and related activities in India.

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Introduction

According to the National Agricultural Commission, agricultural marketing is a process that begins with the decision to produce an agricultural product for sale - includes all aspects of the market structure of the system, and operational and institutional, technical and economic considerations, and includes post-harvest operations such as picking, sorting, storage, transportation and distribution.

Maharashtra State has an area of 3.07 Lakh Sq. km the total population of the state is 11.7 billion (2011 estimate). With more than half of the population living in rural areas, agriculture and related industries operate important role in the economy of the states. Agriculture and related activities produce 12.9 percent of the of the country; Staples like rice and millet are the most important monsoon crops. Important cash crops include sugarcane, cotton, oilseeds, tobacco, fruits, vegetables and spices such as turmeric. Animal husbandry is an important activity related to agriculture.

The state of Maharashtra accounts for approximately 7% of India's livestock and 10% of its poultry. Marketing is an integral part of agriculture, it encourages farmers to invest and increase production. The simplest form of agricultural marketing is the buying and selling of agricultural products. In today's sense, however, an agricultural product goes through a series of exchanges before it finally reaches the consumer. Better and easier access to the market and efficient flow of information can bring about the much desired market orientation of the production system. Marketing commissions for agricultural products In the reporting year April 1, 2017- Available Online At: <https://jazindia.com>

31. As of March 2023, there are 307 main markets and 597 sub-markets in operation in the country. APMCs work in all regions of the state. The breakdown of APMCs operating in the state is as follows:

Sr. No	Division	APMC Markets	Sub Markets
1	Ratnagiri	20	41
2	Nasik	53	117
3	Pune	23	67
4	Aurangabad	36	65
5	Latur	49	80
6	Amrawati	55	91
7	Nagpur	50	76
8	Kolhapur	21	60
	Total	307	597

Objective of the Study

1. To review the current status of the agricultural produce market committee in the state of Maharashtra.
2. To review the existing challenges faced by agro producers w.r.t the agricultural produce marketing committee's in the state of Maharashtra.

Research Methodology

To meet the objective of the study necessary data on agricultural marketing infrastructures such as agricultural produce markets, sub yards rural periodic markets, storage and warehousing facilities, roads, transport vehicles, grading, communication, and post-harvest technology were collected from the annual report of various ministries & leading book publications. The study is essentially empirical and has utilized both the secondary and the primary source of information. The data has been gathered from websites of international

Organizations such as Food and Agriculture Organization (FAO), Ministry of Finance, Agriculture Marketing Departments of Maharashtra state and websites of different institutes such like NAFED, NHRDF etc. Furthermore, the unpublished data has been collected through visiting agriculture and agriculture statistic departments of Maharashtra state.

Literature Review

Agricultural marketing includes services related to the transfer of agricultural products from the farm to the consumer. It is also the planning, organizing, directing and processing of agricultural products in a way that satisfies both the farmer, the producer and the consumer. It involves many interrelated activities such as production planning, cultivation and harvesting, grading, packing and packaging, transportation, storage, food processing, distribution, promotion and sales. In practice, the term covers all functions of the supply chain. However, his central role is to help guide these services by providing expert and expert market intelligence, thus combining other functions into an integrated service with targeted results.

The Agricultural Produce Market Committee (APMC) is a marketing board established by each state government in India. Under the APMC Act passed by the Government of India, the Maharashtra State Agricultural Marketing Board manages 295 Agricultural Produce Market Committees (APMCs) in Maharashtra. In July 2016, the Maharashtra state government removed fruits and vegetables from the premises of APMCs.

The state government has asked farmers to sell their produce directly in Mumbai. Of the 307 APMCs in the state, 219 are currently functioning. The government has granted 148 direct marketing permits, of which 91 are for fruit and vegetables. The Pune APMC, on the other hand, has approached farmers from both the state and outside the state to bring their produce to the market and sell it directly.

At a rough estimate, the grower receives barely 25-33 percent of the final retail price. The broker or middleman receives a commission from both the seller and the buyer, which makes consumers pay for this distribution. Also, brokers do not transfer the advantage to either party. During the peak season, when they buy from farmers at low prices, they do not drastically reduce prices for end consumers. On the other hand, farmers do not get a better return on their produce during low times when consumer prices are high. Current and agricultural

marketing in Maharashtra has to go through several exchanges or transfers from one person to another before it reaches the consumer.

Challenges Faced in Marketing by Agro Producers through APMC's

The Role of Intermediaries

The intermediaries are village traders, Kutchi Adhtiyas, Pukka Adhtiyas, Brokers, wholesalers, retailers etc. Intermediaries act as a link in the distribution process, but their roles are broader than simply connecting different channel partners. Wholesalers, often called "merchant wholesalers," help move goods between manufacturers and retailers. By reducing the number of intermediaries currently involved in the APMC marketing process (such as dalali, auctioneers, etc.) and increasing the number of licenses issued to farmers and dalali stalls that can operate in the market, this will lead to a significant reduction in auction prices, as this will inevitably lead to greater supply and more competitive bidding in market auction factory market yards. The biggest disadvantage of agricultural marketing in India is too many middlemen and exploitation of farmers. On the one hand, these intermediaries exploit the farmers by buying the product at a lower price, and on the other hand, they exploit the customers by charging them a higher price. The sole purpose of many commission agents, brokers, etc. is to get more income from average processes. These middlemen unfairly take advantage of the poor by relying on their financial resources.

Inadequate Infrastructure for Storage and Transportation

A major drawback of agricultural marketing in India is lack of storage space. Without this option, the farmer cannot safely store his product until it brings an acceptable price and is forced to sell his product cheaply. Inadequate and unscientific scarcity of existing facilities wastes a large amount of grain. Around 20-30% of grain is wasted due to rats, insects etc. and due to lack of these equipment farmers have to bear millions of losses.

There is a need to improve farmers' market access by building farmers' associations and developing community-level marketing capacity and infrastructure. Providing access to stock entry systems related to commodities, establishing electronic trading platforms, improving market infrastructure and services for rural retail markets and traditional wholesale markets, and improving market management and responding to farmers' needs. Roads leading from villages to cities are mostly unbuilt, which are impassable during the rainy season. Bullock carts can only move the product to a limited area.

During the absence of transport. The farmer cannot export his product to the relevant market and cannot get an acceptable price for his products. Research shows that only two-thirds of regulated markets have covered and open auctions, while only a quarter of markets have common drying rooms. There are cold stores in less than a tenth of the market and sorting facilities in less than a third of the market. The electronic scale is only available in some markets. APMC is authorized to charge a marketing fee of 0.5-2% of the sales value of the product. In addition, commissions vary between 1-2.5% for food and 4-8% for fruit and vegetables. Other charges such as purchase tax, weighing charges and labor charges are also payable. The consumption and price of farmers is very low, especially for perishable products, due to many intermediaries, lack of infrastructure and poor storage capacity. Also, a large number of marketing channels with a long supply chain increase costs without significant added value.

Cold storage at the farm gate reduces waste and extends product shelf life, giving farmers more opportunities to make the right marketing decisions. About 460 public, private and cooperative cold storage facilities with a capacity of 5.64 lakh MT have been set up in Maharashtra, mostly around Thane, Nashik and Mumbai. The cooperatives own about 35 packing plants, which include grading, sorting, waxing, packaging, pre-cooling and cold storage. These packing houses are designed for export, mainly for grapes and pomegranates. Several packinghouses have also been established in the private sector, mostly by exporters. However, much of the existing infrastructure remains unused after the end of a certain growing season, or vegetables, chillies, dairy products and food grains are stored in cold storage during inactive periods.

Therefore, year-round multi-product production clusters are ideal locations for cold storage infrastructure. It is also necessary to promote multi-product cold storage facilities and attract corporate investment to build them. NHM currently offers a credit-linked fund subsidy of 40% of capital costs for cold storage, reference vehicles and aging chambers with various cost limits. The maximum allowable capital cost for cold storage is Rs. 6000/MT 5000 MT or subsidy Rs. 2400/MT. However, if it is a multi-compartment cold storage, the capital cost can go up from Rs. 6000/MT to Rs. 10,000/MT 5000 MT. Government will provide subsidy of 25% of additional capital expenditure (Rs. 6,000 per NHM MT) for promotion of multi-product cold storage in the state, limited separately.

Lack of Financial Resources

There are no financial resources in the rural areas of the country, so even urgent needs are not met. Under such conditions, farmers sell their produce before it is ripe. Similarly, certain financial arrangements such as loan repayments for pumps, tractor, bumper etc. must be paid monthly or quarterly, so the product must be sold as soon as possible. Therefore, the lack of financial support is a problem for farmers. So getting a loan also poses a problem for them. A farmer producing agricultural products finds it difficult to get money on time due to process interruptions.

This causes the business cycle to stop. Farmers and small businesses, such as small suppliers, need financing to expand their production or diversify their products. This may include, for example, financing of inputs (such as seeds and fertilizers), production (such as machinery and equipment) and distribution (such as processing, packaging and transport) (Food and Agriculture Organization [FAO] and World Bank, 2013). Food and other agro-based industries can receive financial and other support through various central and state programs from various ministries, departments and agencies.

Often, however, entrepreneurs are not aware of these systems or need more information. They have to deal with different agencies in different systems of the value chain. Therefore, they must be collected in one place. A large number of Project Profiles and Demonstration Project Reports have also been prepared by various agencies and are available especially to MSEs through Regional Industrial Centers (DICs), Banks etc.

The Ministry of Industry will coordinate with these agencies to update or prepare new reports on the demonstration projects to make them more relevant to different regions, products and investment levels by preparing new reports with government funding or to their institutions as appropriate.

Lack of Standardization and Grading

Maharashtra is also a major producer of cereals and pulses. Inadequate availability of post-harvest facilities at the village level also causes losses to grain and pulse producers. The valued product brings additional income to the producers thanks to the added value. AGMARK stands for Agricultural Marketing. It is a quality certification mark based on the Central Agricultural Production (Classification and Marketing) Act, 1937. AGMARK is for household consumer goods like ghee, vegetable oil or etc.

The AGMARK mark indicates that the products meet the cleanliness and quality curtain standards. Stickers of different colors are used to indicate the quality of the products. Strict procedures are followed and rules are drawn up to ensure that the standards set in the given grade are met. Quality checks and tests are performed maintain standards. With such features and standards, products can be sold in the right channel and at the right prices. The consumer is also guaranteed a price-quality ratio and can comfortably enjoy the products without fear. There is a clear lack of standardization and classification in agricultural marketing, which makes it difficult to trade these products. Due to the lack of proper standardization and classification, customers face problems in purchasing the product.

Market Information Not Easily Accessible

The state farmer's knowledge of marketing is limited. He believes the information he received from the village merchants and moneylenders. Most of the farmers of the state are illiterate so they cannot read the newspaper. So they don't have enough information about the market. Now the government mediates the market prices proportionately, which has definitely benefited them.

The agricultural marketing system needs to be improved by adopting a systematic approach and latest technology such as information technology to collect and disseminate marketing information and data. One of the reasons for the low income in agriculture is traditional marketing through intermediaries and lack of market information and knowledge. Other reasons include unscientific and inadequate crop planning, crop management, post-harvest care and inadequate alternative marketing channels. Currently, APMCs can only share market area price information to farmers. The scope and extent of market information dissemination must be expanded.

Suggestions and Conclusion

Since we have a tradition of agricultural production, marketing and related business activities, now is the time to think and come up with new ideas for value added services. These value-added services add a new dimension to the current agricultural engine. The next logical step could be food processing which could not only be another income generating sector but could also provide a lot of full time employment for our youth. In the changing scenario of agriculture and global competition, it is necessary to utilize the available resources as much as possible.

An opportunity for farmers to get a higher price for their produce is to clean and sort the produce before bringing it to market. The opportunity also lies in the purchase of equipment for minimal cleaning and tidying

investments according to the cooperative system to refine the products before selling either in the market or directly to the demand centers. Agricultural marketing initiatives must be large and organized. The current market must include two aspects: the market network and the actual regulation of the operation of the market. The need to strengthen the regulated market system stems from the changing relationship between agriculture and the market. It has been observed that better and easier market access and effective information flow can lead to the much desired market orientation of the production system. Indian agriculture, the shift from commodity to commercialization is leading it to market orientation. In short, we can claim that we have the largest network of agricultural cooperatives in the world involved in the production, acquisition and marketing of agricultural products. They have proven that they have an important place in our economy. The government should review its policies and regulations to strengthen the market network and ensure that prices are set competitively and the market is not manipulated. Modern ICT can bring better solutions because it can effectively facilitate agricultural marketing functions and processes such as buying and selling, payment, grading, standardization and transportation.

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