

# Contents

---

- INTRODUCTION
  - CHALLENGES
  - PROBLEMS
  - PROSPECTS
  - CONCLUSION
-

## INTRODUCTION

*Agricultural marketing plays an important role in the very growth and development of farming and agricultural outputs essential for the rural development of India.*

The scope is quite complex and wide i.e. it encompasses the various issues concerned with agricultural development and farming development. The scope of agricultural marketing can be defined through the functions served by it in pursuit of achieving the sustainable economic growth and development

## Meaning of Agricultural Marketing

- The definition of agricultural marketing as given by the **National Committee on Agriculture** states that :  
“ *a process of flow of agricultural and farming produces produced through the use of natural resources for the welfare of the people i.e. it includes all such activities of primary production related to the agricultural or farming produces which includes activities such as growing up or rising of crops, cultivation of crops, harvesting and management of livestock.*”

---

---

**According to Thomson** agricultural marketing maybe defined as:


***“study of all such operations related to agricultural production and the agencies conducting them in the movement of farm produced goods or agricultural produces from the farms to the final consumers and the effects of such operations on farmers, middlemen, agents and all those who are concerned with it”.***

---

## Functions of Agricultural Marketing

---

The prime functions facilitated through Agricultural marketing are:

- To provide critical opportunities for the development of agriculture markets to facilitate the exchange of agricultural inputs and outputs
  - To provide means and ways for the development or formulation of agricultural policies for the benefits of farmers consumers buyers and sellers of produces.
  - To ensure the implementation of agricultural marketing policies and agricultural development policies for the development of India.
- 

## Difference between AM and Consumer Marketing

Basis	Agricultural	Consumer
Perish ability	Goods highly perishable	Less perishable products
Seasonality of products	Highly seasonable: varies according to one season to other. Warehousing is not possible	Less affected by seasonality
Volume of production	Produced in large volume.	Produced in low volume.
Variation in quality of products	Products highly vary on account of grading and standardization.	Quality doesn't vary to a great extent
Nature of supply	Supply highly seasonable i.e. discreet in nature	Consistent and continuous in nature.
Size of holdings	Quite Large	Very small
Nature of production	More affected by natural factors	Least affected by natural forces

# Classification of Agricultural Markets in India

The agricultural markets are classified on against several basis for the purpose of defining the coverage of agricultural markets in India. They are most commonly classified on the basis of:

- *Degree of competition.*
- *Geographical features or coverage*
- *Volume of transactions*
- *Nature of transactions*
- *Number of transactions which take place at the markets*
- *Nature of commodities traded*
- *Stage of marketing*
- *Extent of public services*
- *Location of markets*

---

---

**The agricultural markets are classified on the basis of location as**

- Village markets
  - Primary markets
  - Seaboards markets
  - Secondary markets
  - Terminal markets
-



---

---

## **On the basis of graphical areas covered**

- International or global
  - Local markets
  - Regional markets
  - Village markets
  - National markets
-

---

---

## **On the basis of time span involved**

- Short term marketing
  - Long term
  - Scalar markets
-

---

---

## **On the basis of degree of competition**

- Perfect markets
  - Imperfect markets
    - Monopoly
    - Oligopoly
    - Duopoly
    - Monopolistic
-

---

---

## **On the basis of volume of transactions**

- Wholesale markets
  - Retail markets
-

---

## **Nature of transactions**

- Spot markets
- Cash markets
- Forward markets

## **Nature of commodities traded**

- General markets
- Specialized markets

---

## **Stage of marketing**

- Producing markets
- Consuming markets

## **Extent of public services**

- Regulated or controlled markets
  - De-regulated or free markets
-

## Problems and challenges of Agricultural Marketing System in India

Agricultural marketing system- ***a system of institutions, agencies, producers, consumers involved in marketing of agricultural products through the marketing infrastructure*** prevailing in India. The marketing infrastructure involved in AM consists of:

- Government
- Agencies
- Distribution support system or network
- Agricultural markets
- Agricultural marketing promotion institutes

---

Problems and challenges were *for the first time identified by the royal commission on agricultural marketing established in the year 1928*

- The problems are:
- Seasonality of agricultural sales in rural markets of India
- Inequality of institutional market infrastructure and lack of producer organisations
- Post harvesting immediate sale by farmers
- Existence of many middlemen or agencies in AM system
- Multiplicity of market charges
- Existence of mal practices in AM system
- Lack of reliable and up to date information
- Absence of grading and standardization for assessing the quality of products
- Low perishable supply and large variety of products



## Challenges of Agricultural Marketing

The diversity of agricultural production gives birth to several challenges to be faced by agricultural products and marketers.

- The challenges of agricultural marketing are:
- Slow and poor adoption of new technologies of agricultural production.
- Managing the geographical differences in urban and rural markets of India
- Lack of infrastructure & market support for the AM
- Inappropriate government policies for the promotion of agricultural produces
- Lack of entrepreneurship & managerial skills amongst the Indian farmers
-