

A STUDY ON MARKETING SERVICES WITH REFERENCE TO INDIAN AGRICULTURE

Prof. Bharat Goel

Associate Professor,
J P Institute of Management, Meerut

Ms. Megha Jain

Regional Risk Manager,
ICICI Bank, Meerut

ABSTRACT

Indian agriculture has successfully moved towards commercialization. Directly or indirectly agriculture in India has continued to be the source of livelihood to majority of the population. Indian agriculture has seen a lot of changes in structure from time to time when needed. India has successfully achieved the targets in agricultural production. Government of India has put agricultural development as its prime responsibility as the producer/farmer must get a maximum share in the consumer Rupee. The present paper highlights some of the organizations and institutions that provide direct and indirect agricultural marketing and allied services for the ease and accessibility to the producer/farmer on one side and the consumer on the other. The paper also highlights some alternative services available in agricultural marketing in India that could provide additional value in the agricultural development. In the end the paper provide some suggestions that could help to make agricultural marketing services better, more valuable and economical for the producer/farmer, the consumer and the country as whole.

KEYWORDS: Agricultural Marketing, Future Trading, Agricultural Cooperatives, Food grains, Agricultural Development, Agri-Business.

INTRODUCTION

Agricultural marketing consists of all the activities which are involved in the movement of agricultural produce from producers/farmers to consumers. These activities include the purchase, storage, transportation, distribution and processing of agricultural produce, the marketing arrangements structure incentives to produce and trade agricultural produce and, thereby, guide the economic activity within the agricultural sector. The government started controlling agricultural marketing especially the food grains in India in 1939 at the outbreak of the Second World War. A committee was set up to explore the reasons for the Bengal Famine in 1943, it concluded

that the famine was due to the failure of the food grain distribution system and not due to the shortage of food grains in India as a whole. Since food grain markets across the country were not integrated and incorporated, food grains from surplus areas failed to move to Bengal and prevent the famine. To correct this market failure, the government became heavily involved in marketing of food grains to feed the needy. The Department of Food under the Ministry of Agriculture was assigned to manage the Indian food economy. Its main functions were to import and procure food grains from farmers for public distribution, maintain central reserves, control and regulate prices of food grains, construct and hire storage facilities. Rationing and controls on the inter-state movement of food grains were also introduced. Rise in the demand for food grains caused by population growth and rising incomes was a challenge, in 1957, the government set up a committee to analyze the food situation and suggest new food policies. The committee suggested state trading of food grains and specifically, the committee advised the government to establish a Food grains Stabilization Organization. This organization would not only take over some of the tasks of the Department of Food but would also operate as a trader in the food grain market. The government intervention in food grain markets as a trader was deemed compulsory on two counts; (1) to ensure the efficiency and integration of food grain markets--that is, to ensure the availability of food grains across markets over time and to ensure the stability of food grain prices avoiding large differences between (a) producer and consumer prices and (b) prices across markets and (2) to counterbalance the speculative activities of private traders. The premise was that Indian food grain markets are inefficient and disintegrated. The government intervenes in food grain markets in India not only indirectly through pricing and other regulative policies, but also directly as a buyer and seller of food grains. There are dual food grain markets in

India: a government controlled public market and an open, private market. Some of the organizations and institutes which provide agricultural services directly or indirectly in India are: Department of Agriculture and Cooperation, Directorate of Marketing and Inspection, Agricultural and Processed Food Products Export Development Authority, National Cooperative Development Corporation, National Agricultural Cooperative Marketing Federation of India, State Agricultural Marketing Boards, Agricultural Produce Marketing Committee, Central and State Warehousing Corporation, Director General of Foreign Trade etc.

REVIEW OF LITRATURE

A significant amount of research has been done on the present study by the academicians and researchers. The literature obtained by the investigator, in the form of various reports and research studies, is briefly reviewed in this part.

Johnston, et.al., (1961) stated that economic development is characterized by an increased demand for agricultural products (due to population growth and high elasticity of demand for food from the poor). Failure to expand food supplies in pace with growth will impede development. Increased export growth is one of the most promising means of increasing incomes and foreign exchange earnings and expansion of secondary industry.

Pirrong, (1995) emphasizes that repeated interactions among traders and symmetric distribution of gains from efficient trading rules enforce reciprocity, which is essential for the success of cooperative behavior and consequently on the emergence of private enforcement mechanisms. It adds evidence that an even bargaining power between trading partners is also a critical factor for cooperative behavior and private ordering institution to emerge.

Datt, et.al., (1996) has showed that poverty measures respond more to rural economic growth than to urban economic growth. They also conclude that a focus on rural economies as opposed to urban economies is also crucial to reduce poverty levels. They also suggest that the non-farm component of the rural economy is most dynamic and productive when farming is thriving.

Gulati, et.al., (1996) found that if the government wants to retain FCI, it should consider reorganizing its management to reinforce commercial operation. One option would be to introduce performance agreements to managers and employees of FCI. These agreements would increase the accountability of managers and employees and

improve the focus of operations by clarifying performance expectations and the roles, responsibilities, and rewards of all those involved.

Vaswani, et.al., (2003) stated that agriculture in any country goes through a cycle of development process which can be termed as 'commoditization to commercialization'. Despite the cost effectiveness of the production system at the commoditization stage, the agriculture transition towards commercialization is natural though its pace may be influenced by external factors like agricultural policy framework, extent of market imperfections, overall standards of living of majority population, etc.

Dorward, et.al., (2004) suggested that institutional development is critical to economic growth and development in poor economies, and it needs to be more than simply improving the institutional environment supporting liberalized markets. Efforts to promote an agricultural transformation to support improved livelihoods for people living in today's poor rural areas are likely to face much greater difficulties than those that were faced in the successful green revolution areas of the twentieth century.

Dorward, et. al., (2004) stated that to be able to match the emerging market dynamics, there is need to strength competitiveness of farmers in the enterprises, value chains and wider environments on which rural producers depend.

Dorward, et.al., (2004) concluded that in any economy, markets for different goods and services are closely related and often interdependent. What happens in one market often has a fundamental impact on other markets and other economic activities. Effective coordination of different markets is therefore critical to increasing the opportunities for exchange and interdependence that underlie growing and expanding economies.

Kumar, et.al., (2007) proposed that the system of public accountability should be suitably reformed so that such normal commercial losses are distinguished from deliberate fraudulent transactions. Futures markets for grains are useful institutions that can give guidance about the future direction of change of the band itself. Institutional arrangements for monitoring the price movements and carrying out tariff changes would have to be developed.

Royer, (2008) stated that an understanding of marketing boards' origin and their role in the coordination of commercial transactions between farmers and buyers are essential to assess their merit and evaluate their performance.

Kumar, et.al., (2008) presented that changes are required on the operational side of procurement by the FCI. From a system of open-ended procurement at pre-announced procurement prices, the

FCI has to move over to a system of tendering for the desired quantities and quality to be delivered at the desired location.

Dev, et.al., (2010) stated that food availability is a necessary condition for food security. India is more or less self sufficient in cereals but deficit in pulses and oil seeds. Due to changes in consumption patterns, demand for fruits, vegetables, dairy, meat, poultry, and fishery products has been increasing. There is a need to increase crop diversification and improve allied activities.

Nugussie (2010) analyzed that becoming a member of agricultural cooperative societies depends not only on the personal interests of the people but also on other additional factors that motivate them to become member of agricultural cooperatives as cooperatives are the basis to achieve food security at household level.

Begum (2011) found that the basic objective of regulating the marketing of agricultural products was to bring both producer and buyer/trader closer and to the same level of advantage. This would help reduce middlemen and associated costs and margins. Moreover regulated markets are the platform for both producers and buyers to represent their grievances and discuss matters of mutual interest.

Pal, (2011) examined that Public Distribution System in India is more than half-a century old as rationing was first introduced in 1939 in Bombay by the British Government as a measure to ensure equitable distribution of food grains to the urban consumers in the face of rising prices.

Sengupta, et.al., (2011) found the agribusiness sector has witnessed the entry of a number of corporate houses, which has fueled a debate on their effectiveness in meeting the credit and technology crunch of the economy on one hand and potential exploitation of farmers on the other.

Rehman, et.al., (2012) in their paper suggested that the need to strength the regulated agricultural market system arises from changing nature of linkages between agriculture and markets. It has also been observed that better and easy market access and efficient information flow can bring much desired market orientation of the production system.

Rehman, et.al., (2012) stated that the supply chain in agricultural marketing is long and has

increased the margin between the price received by the farmer and the price paid by the consumer. Tightening of the supply chain is called for and the role of the farmer's organizations,

Cooperatives/Self Help Groups needs to be expanded.

Zivengeand, et.al., (2012) recommends that farmers should develop effective mechanisms for collaboration and linkages, invest in market intelligence, and create a sea change in thinking and practice, and building trust. This will enable them to enhance their bargaining power on prices.

Farmers should expand farm sizes and also access mobile phones since such assets significantly influence market channel access. Farmers are encouraged to join cooperatives to enhance their chances of accessing critical production inputs and the government should provide extension services to improve production.

DISPERSION OF AGRICULTURAL MARKETING SERVICES IN INDIA.

This part of the study explores various organizations and institutions that provide direct or indirect assistance to agricultural marketing in India.

FOOD CORPORATION OF INDIA

The Food Corporation of India under the Department of Agriculture and Cooperation Government of India was set up to provide price support to producers, to distribute food grains at concessional prices to the poor through the Public Distribution System (PDS) and to ensure national food security by carrying buffer stocks. The operation of the Food Corporation of India has been facilitated by various government policies such as concessional credit and transport, budget support and freedom from movement controls. The poverty line is price inelastic. Given the price in-elasticity of demand an increase in food prices, ceteris paribus, would erode the real income of population and particularly that of the poor who spend a major share of their income on food. Also fluctuations in prices would affect adversely the long term investment and production decisions of producers and lead to a suboptimal allocation of resources.

Therefore the government concluded intervention in food grain markets as a trader was warranted.

Attainment of self sufficiency in food grains at the national level is one of the country's major achievements in the post-independence period. After remaining a food deficit country for about two decades after independence, India became largely

self-sufficient in food grain production at the macro level. A large Public Distribution System, supplemented by arrangements for moderating prices in the open market and concerted efforts for achieving self sufficiency in food grains, coupled with measures for maximizing procurement from surplus areas.

DIRECTORATE OF MARKETING & INSPECTION (DMI)

It is an extension of Department of Agricultural and Cooperation, Ministry of Agriculture, Government of India; The Directorate provides consultancy and technical services to prospective entrepreneurs in construction, maintenance and operation of cold storage. The DMI acts as a nodal agency to promote cold storage's in the country by coordinating Research & Development in cold storage, facilitate collection and dissemination of information related to better price realization by the farmers, to sensitize and orient farmers to new challenges in agricultural marketing by using ICT as a vehicle of extension, to improve efficiency in agricultural marketing through regular training and extension for reaching region specific farmers in their own languages, to provide assistance for marketing research to generate marketing information for its dissemination to farmers and other market functionaries to create an ambiance of good marketing practices in the country. The network covers market related information, infrastructure related information, price related information and promotion related information. The Directorate has a market planning and design center provides technical support in planning and designing of physical markets at macro as well as micro level. Its broad objectives are; To integrate development of marketing of agricultural and allied produce in the country, Promotion of grading of agricultural and allied produce development of market through regulation, Planning and designing of physical markets, Administration of Meat Food Products Order (1973), Promotion of cold storage, Liaison between the Central and State Governments all over the country.

AGRICULTURAL & PROCESSED FOOD PRODUCTS EXPORT DEVELOPMENT AUTHORITY (APEDA)

The Agricultural and Processed Food Products Export Development Authority (APEDA) was established by the Government of India under the Agricultural and Processed Food Products Export Development in December, 1985. It is another organization that is related to agricultural trade in

India. A Trade portal on Agri Exchange exists, where online trading is done, in its stride, joint collaboration of United Nations Conference on Trade and Development (UNCTAD) and Ministry of Agriculture has given the portal a shape. Globally buyers and sellers in the agribusiness world has been given a platform to offer, negotiate and perform a deal. Apart from this, it has been loaded with latest information of 550 products related to APEDA and the World. Agri exchange thrives to provide information matching the needs of the stakeholders of the agricultural economy in general and agricultural commodities trade in particular. The only vision is to cater the Agri business community and see them growing day and day by taking the benefit of the portal.

APEDA is authorized with the accountability of export endorsement and development of the following listed products: Fruits, Vegetables and their Products, Meat and Meat Products, Poultry and Poultry Products, Dairy Products, Confectionery, Biscuits and Bakery Products, Honey, Jaggery and Sugar Products, Cocoa and its products, chocolates of all kinds, Alcoholic and Non-Alcoholic Beverages, Cereal and Cereal Products, Groundnuts, Peanuts and Walnuts, Pickles, Papads and Chutneys, Guar Gum, Floriculture and Floriculture Products and Herbal and Medicinal Plants. In addition to this, APEDA has been delegated with the responsibility to scrutinize import of sugar.

NATIONAL COOPERATIVE DEVELOPMENT CORPORATION (NCDC)

The National Cooperative Development Corporation (NCDC) was established in 1963 as a statutory Corporation under the Ministry of Agriculture. Its broad objectives are ; Planning, promoting and financing programs for production, processing, marketing, storage, export and import of agricultural produce, food stuffs, certain other notified commodities e.g. fertilizers, insecticides, agricultural machinery, soap, kerosene oil, textile, rubber etc., supply of consumer goods and collection, processing, marketing, storage and export of minor forest produce through cooperatives, besides income generating stream of activities such as poultry, dairy, fishery, sericulture, handloom etc.

NCDC Act has been further amended which will broad base the area of operation of the Corporation to assist different types of cooperatives and to expand its financial base. NCDC is now be able to finance projects in the rural industrial cooperative sectors and for certain notified services

in rural areas like water conservation, irrigation and micro irrigation, agri-insurance, agro-credit, rural sanitation, animal health, etc. Loans and grants are advanced to state governments for financing primary and secondary level cooperative societies and direct to the national level and other societies having objects extending beyond one State.

NATIONAL AGRICULTURAL COOPERATIVE MARKETING FEDERATION (NAFED)

NAFED was established in 1958. NAFED is registered under the Multi State Co-operative Societies Act. NAFED was setup with the object to promote Co-operative marketing of Agricultural Produce to benefit the farmers. Agricultural farmers are the main members of NAFED. The objectives of the NAFED are to organize, promote and develop marketing, processing and storage of agricultural, horticultural and forest produce, distribution of agricultural machinery, undertake inter-State import and export trade, wholesale or retail as the case may be and to act and assist for technical advice in agricultural production for the promotion and the working of its members and cooperative marketing, processing and supply societies in India. Domestic operations of NAFED mainly comprise of outright business, joint venture business with member federation/societies, agency & consignment business and implementation of price support scheme/market intervention scheme of the government of India. NAFED helps farmers by procuring their produce like food grains, pulses, oilseeds, spices, cotton, tribal produce, jute & jute products, eggs, fresh fruits & vegetables through the established cooperative network all over the country with active involvement of marketing societies at mandi level. NAFED also provides marketing assistance to the farmers by arranging disposal of their produce on delivery basis at terminal markets to facilitate them fetch best possible price for their produce.

NAFED also serves the consumers' interests through supply of various essential items, such as, onions, potatoes, eggs etc. during scarce marketing situation or when the prices of such commodities rise abnormally. Presently, NAFED is running five retail outlets in Delhi and two in Shimla in the name and style "NAFED BAZAAR". NAFED initiated Future Trading activities in several agricultural commodities viz. Rubber, Pepper, Turmeric, Chillies, Soyabean, Mustard seed, Potato, Jeera etc. NAFED also undertakes procurement and marketing of agricultural commodities in joint venture with State

Cooperative Marketing Federations/ Marketing Cooperative Societies.

STATE AGRICULTURAL MARKETING BOARDS (SAMBS)

State Agricultural Marketing Boards (SAMBs) established as a government agency and/ or constitutional organization having the function of intervening in the marketing process, with a view to serving the cause of efficient and orderly marketing. Less frequently they are intentional organizations established by farmers/producers. Marketing boards tend to be born out of government policy rather than by agreement among commercial parties. Their chief object is to improve the income of the smallholder, grower, and/or livestock farmer. Marketing boards do not normally provide marketing services to large estates or plantations. Prior to the adoption of structural adjustment and market liberalization nearly all Marketing boards served as price stabilizing boards. Another characteristic of marketing boards is their focus on durable products.

Marketing boards are normally given authority for 'controlled' or 'scheduled crops'. The crops controlled are millet, sorghum, rice, wheat, maize, groundnuts and palm oil and 'colonial' crops such as cocoa, cotton, coffee, tea, tobacco and rubber. In some cases, the marketing board performs all of the marketing functions itself but in others it cooperates with private enterprise by, for example, hiring storage facilities or appointing local buying agents. Some marketing boards, like grain boards, are concerned entirely with domestic consumer markets. These tend to be handling staple crops such as maize, millet and rice. Other boards are dealing exclusively with export markets and, therefore, industrial buyers. The two types of markets are quite different from one another and so therefore are the operations of the boards serving them. A distinction is sometimes drawn between these two types of board by referring to Domestic Food Marketing Boards (DFMBs) and Export Marketing Boards (EMBs).

AGRICULTURE PRODUCE MARKETING COMMITTEE (APMC)

Regulated markets are established as per the provisions of the 'Agricultural Produce Marketing Committee Acts' (APMC Act) of State Government. The royal commission on agriculture 1928 studied the problem and suggested beginning with the regulated markets and consequently various market committees were incorporated in different states. These regulated markets function under the market

committees as per the regulations in the APMC act. Most of the wholesale markets and some of the rural primary markets have been brought under the regulation. Many of the regulated wholesale markets have a principal markets with large area and comparatively better infrastructure and number of sub yards attached to the principal market.

The organization of these regulated markets has helped in creating orderly and apparent marketing conditions. There were a meager 286 regulated market yards at the time of independence and it increased to more than 7249 in 2011. These consist of more than 2433 principal markets and 4816 sub yards. The number of regulated markets is relatively more in geographically large states viz. Andhra Pradesh, Bihar, Maharashtra, Madhya Pradesh, Uttar Pradesh and West Bengal. The National Commission on Farmers (2004) has recommended that the facility of regulated markets should be available to the farmer within the radius of 5 km. These are one stop shop for selling the agricultural produce through fair and remunerative ways. The progress and efficiency achieved in the system of regulating the agricultural markets in bringing more of the producer's share in the consumer rupee, reducing cost and wastage in marketing agricultural produce, agricultural diversification and value addition.

CENTRAL WAREHOUSING CORPORATION (CWC) & STATE WAREHOUSING CORPORATIONS (SWCS)

CWC was established during 1957. It is the largest public warehouse operator in the country. Apart from storage, CWC also offers services in the area of clearing and forwarding, handling and transportation, distribution, dis-infestation, fumigation and other ancillary services like safety and security, insurance, standardization and documentation. CWC operates 66 Custom Bonded Warehouses with a total operated capacity of nearly 0.42 million Mts. These bonded warehouses are specially constructed at a seaport or airport and accept imported commodities for storage till the payment of customs duties by the importer of the commodities. Different States have set up their own warehouses in the country called State Warehousing Corporations (SWC) in district places of the State. The total share capital of the SWC is contributed equally by the Central Warehousing Corporation and concerned State Government.

The SWCs are under the dual control of the State Government and the CWC. Scientific storage

and handling services for more than 400 commodities include Agricultural produce, Industrial raw-materials, finished goods and variety of hygroscopic and perishable items. Scientific Storage

Facilities for more than 200 commodities including hygroscopic and perishable items through network of 468 warehouses in India with its 5,492 trained personnel, Import and Export Warehousing facilities at its 36 Container Freight Stations in ports and inland stations, Bonded Warehousing facilities, Dis-infestation services, Handling, Transportation & Storage of Containers.

CWC is operating an integrated truck terminal for providing support services to the import/export trade with Bangladesh through land route at Petrapole (West Bengal) on the Indo-Bangladesh border. The terminal, spread over an area of 17.08 acre, has facility for truck parking, Weighing, storage, customs examination, etc. In order to educate the farmers on scientific storage of food grains and post harvest loss minimization, CWC introduced its Farmers

Extension Service Scheme in 1978-79, wherein the technical staff posted at its warehouses visit the adjoining villages and train the farmers on Post Harvest Technology. The scheme is presently in operation through 292 rural based warehouses.

DIRECTOR GENERAL OF FOREIGN TRADE (DGFT)

Directorate General of Foreign Trade is an attached office of the Department of Commerce, Ministry of Commerce and Industry. Headquartered in New Delhi, there are four Zonal Offices at Delhi, Mumbai, Kolkata and Chennai headed by Additional Director General of Foreign Trade. There are 36 Regional Authorities (RAs) all over the country, including the 4 zonal offices; DGFT provides guidelines/procedure of export and import of various commodities. Scheme for Assistance to States for Developing Export Infrastructure and Allied Activities (ASIDE) is formulated to involve the States in the export effort by providing support and assistance to the States Governments for creating appropriate infrastructure for the development and growth of exports. The Scheme is administered by Department of Commerce.

The objective of scheme is to establish a mechanism for involving the State Governments to participate in funding of infrastructure critical for growth of exports by providing export performance linked financial assistance to them. Under Market Initiative Scheme (MAI) scheme, financial assistance

is provided for export promotion activities on focus country, focus product basis. Financial assistance is available for Export Promotion Councils (EPCs), Industry and Trade Associations (ITAs), Agencies of State Government, Indian Commercial Missions (ICMs) abroad and other national level institutions/eligible entities as may be notified. Special agriculture and village industry scheme has been implemented called Vishesh Krishi and Gram Udyog Yojana (VKGUY), the objective of VKGUY is to promote exports of agricultural produce and their value added products, Minor Forest Produce and their value added variants, Gram Udyog Products, Forest Based Products and Other Products, as notified from time to time.

ALTERNATIVE SYSTEMS OF MARKETING

Besides the above systems there are some optional and well organized systems of agricultural marketing in India, Some of these are: Cotton Corporation of India (CCI), Jute Corporation of India (JCI), State Trading Corporation (STC), Commodity Boards - Tea, Coffee, Cardamom, Rubber, Tobacco, Spices, Areca nut, Dairy Products etc., Commission for Agricultural Costs and Prices (CACP), Commodities Export Councils. Special Commodities Marketing Societies (Sugarcane, Cotton, Oilseeds, Milk etc.), Cotton Processing and Ginning Societies, Fruits and Vegetables Preservation Societies, Oilseeds Processing Societies, Sugarcane Crushing Societies, Milk Processing and Chilling Societies, Tribal Cooperative Marketing Federation. Further there are some innovative agricultural marketing services prevailing in India, these are briefly described below.

DIRECT MARKETING

Direct marketing is an innovative concept, which involves marketing of produce i.e. paddy/rice by the farmers directly to the consumers/millers without any middlemen. Direct marketing by farmers to the consumers has been experimented in the country through Apni Mandis in Punjab and Haryana and Rythu Bazaars in Andhra Pradesh. Farmers can take advantage of these markets by selling directly through these facilities.

CONTRACT MARKETING

Contract marketing is a system of marketing in which the commodity is marketed by farmers under a pre-agreed buy-back contract with an agency engaged in trading or processing. In contract marketing, a producer will produce and deliver to the contractor, a quantum of required quality of produce, based upon anticipated yield and contracted acreage,

at a pre-agreed price. In this agreement, agency contributes input supply and renders technical guidance. The company also bears the entire cost of transaction and marketing. In the wake of economic liberalization, the national and multinational companies are selectively entering into contract marketing of agricultural produce.

KISAN CALL CENTRES

Implemented by Department of Agriculture and Cooperation, Government of India, A call centre based extension service deliver knowledge and information exactly as per the requirements of the farming community. The Kisan Call Centre scheme is available all over the country. The Kisan Call Centre scheme has been functioning from 21.1.04. The Call Centres can be accessed by farmers all over the country on common Toll Free Number 1551. Since 10th June, 2004 the Call Centres service has been made available right from 6 A.M. to 10 P.M. The Department of Agriculture and Cooperation is working on schemes to use both Mass- Media and telecom network for the delivery of extension services, a call centre based extension service will be delivering knowledge and information exactly as per the requirements of the farming community. The objective of the scheme has been to make agriculture knowledge available at free of cost to the farmers as and when desired. The location is immaterial as the calls can originate from any village to land at a specific call centre and a specific seat which would be answered by an agriculture graduate knowing the local language and having an understanding of the local agricultural issues.

FORWARD & FUTURES MARKETS

Forward trading means an agreement or a contract between seller and purchaser, for a certain kind and quantity of a commodity for making delivery at a specified future time, at contracted price. The Forward Markets Commission (FMC) performs the functions of advisory, monitoring, supervision and regulation in future and forward trading. Forward contracts are broadly of two types; (a) Specific Delivery Contracts: Specific delivery contracts are essentially merchandising contracts, which enable producers and consumers of commodities to market their produce and cover their requirements respectively. Specific delivery contracts are again of two types: i) Transferable Specific Delivery contracts (TSD) and ii) Non-Transferable Specific Delivery contracts (NTSD). (b) Futures Contracts: These contracts are usually entered under the sponsorship of an Exchange or Association. In the futures

contracts, the quality and quantity of commodity, the time of maturity of contract, place of delivery etc. are standardized and contracting parties have to negotiate only the rate at which contract is entered into.

RURAL GODOWNS

Considering the importance of rural storage in marketing of agricultural produce, the Directorate of Marketing and Inspection initiated a Rural Godowns Scheme, in collaboration with NABARD and NCDC. Its objective is to construct scientific storage godowns with allied facilities in rural areas and to establish a network of rural godowns in the States and Union Territories. The main objectives of Rural Godowns Scheme are: i) to prevent distress sale of food grains and other agricultural commodities immediately after harvest. ii) to reduce quantity and quality losses arising from sub-standard storage, iii) to reduce pressure on transport system in the post-harvest period. iv) to help the farmers in getting pledge loans against the stored produce.

MANAGERIAL IMPLICATIONS

The defections in the Indian agricultural marketing can be removed by providing both the forward and backward linkages to integrate agriculture, especially the marketing organizations and institutions must be integrated and coordinated to make the essential marketing services available not only to farmer but to the consumer also. Conflicting goals of farmers (who want higher prices) and consumers (who want cheap food), must be efficiently met. The producer must have ease and accessibility to the market for selling his produce; he must have sufficient information flow about the market. On the other hand the customer must get value of his purchase. Producer must also be free to choose the market to sell the produce according to his convenience. There should be encouragement in following more liberal policies in food grain management, policies that dovetail international trade with domestic market reforms allowing greater role of private sector in an open economy environment. Social mobilization, community participation and decentralized approach are necessary to make the market available at low cost to the farmer community. Private trade in agricultural commodities must be enforced. Moreover there should be an agricultural marketing awareness program, which should have a reach to whole of the country.

CONCLUSION

India has become self sufficient in the agricultural production especially in the food grains,

India stands among the top agricultural producing nations of the World today. No doubt India is an exporter of various agricultural commodities but there are some constraints in agricultural marketing. The paper although highlighted the primary agricultural marketing institutes and organizations providing agricultural assistance in India at large, still much of the agricultural produce is getting spoiled due to inefficient storage facilities, overtime delivery and mismanagement. So much more is needed as; India has huge potential for agricultural production, because it has a wide geographical range. As most of the rural people in India are engaged in agriculture and its allied activities, more and more provisions must be made available to integrate the marketing systems for agriculture, which must be available all over the country.

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