

## ISSUES AND POSSIBILITIES IN MARKETING OF AGRICULTURAL COMMODITIES

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### Abstract

The study discusses the challenges and opportunities of rural marketing in India. The rural market in the Indian economy is divided into two basic divisions. Rural markets have grown in importance in recent years, as economic expansion has resulted in a significant increase in rural people's purchasing power, and rural people's preferences are changing. As a result, every marketing player wants to invest in rural areas. Though there are enormous potential and large growth opportunities in rural markets, there are several issues that have created barriers to accessing rural markets. This study advances the exploration of numerous rural marketing strategies as well as the existing rural marketing ecosystem, highlighting major difficulties and suggestions linked to rural marketing.

**Keyword:** Rural marketing, marketing issues in rural areas, rural marketing potentials

### Introduction:

Agricultural marketing is broadly the exchange or bartering of agricultural produce. To form such exchanges possible various processes viz., processing, storage, transportation, grading, inspection, pricing, advertising, wholesale and retail sale etc are included. From the purpose of view of the govt, the function of Agriculture Marketing is to link the assembly of agricultural commodities with sustainable supply and trade that's economically beneficial. At the government level, the government can provide services to the farmers by fixing marketing intelligence, i.e. the market value of agricultural products and a system that builds barriers in terms of cultivation. Government can encourage farmers by creating policies to make different options regarding supply chain. Farmers employed farm sector inputs like local seeds and farmyard manure within the past. These inputs were easily accessible to them; farmers' market purchases of crop inputs were low. Farm inputs, like improved seeds, fertilizers, insecticides and pesticides, farm machinery, implements, and financing, are increasingly important within the production of farm products in recent years. The new farming technology responds to input. Product and input marketing must be included within the scope of agricultural marketing.

### Objective of Study

Objective of Study Rural markets offer unrealized potential as a component of any economy. Several challenges confront the search to thoroughly explore rural markets. The concept of agricultural markets in India, also as in several other countries like China, remains growing, and therefore the sector presents variety of issues, including understanding the dynamics of rural markets and developing methods to provide and satisfy rural consumers.

### Research methodology

This research article attempts to provide a deeper understanding of the function of rural marketing in economic development. The study also intends to investigate the issues confronting rural marketing in the current context. The descriptive research approach is utilised in this study for this goal, which is based on the utilisation of secondary sources of data acquired from books. Journals, periodical publications, government publications, articles, newspapers, and websites, among other things.

### Rural marketing concept

Rural marketing in the Indian economy can be broadly divided into two categories.

The marketplaces for consumer durables include both durable and non-durable items. The agricultural product markets, which include those for seeds, insecticides, fertilizers, and other items.

People who believe rural marketing in India to be exclusively about agriculture marketing occasionally make this error. Rural marketing influences how economic operations are transported from metropolitan areas to rural areas as well as how different products made by non-agricultural employees are marketed from rural to urban areas.

### **Definitions of Rural Marketing:**

Identifying the needs of customers and potential customers, providing products/services that satisfy their needs, and developing efficient processes or systems to deliver your product/service to the market when, where, and how consumers want it.

### **The following are the characteristics of rural markets –**

Here, agriculture is both the first and primary source of income, and this revenue is cyclical and variable because it is based on crop yields.

- The rural market, despite its size, is dispersed geographically.
- Disparities in religion, culture, and economic status are evident.
- The market isn't too developed because the locals have enough money to buy things.
- It exhibits sharper and diverse regional preferences with distinct forecasts, habit patterns, and behavioral features.
- These markets have their orientation on agriculture, with a poor standard of living, low per capita income, and backwardness.
- The overall rural development process leads to the rural marketing process. The core of the rural marketing process is the inception and administration of social and economic change in the rural sector.

### **Issues faced by Rural Market**

Various obstacles prevent the rural market from developing. When marketing to rural areas, marketers confront a variety of issues including physical distribution, logistics, a lack of a proper and effective sales staff, and a lack of an effective marketing communication system.

### **The following are the main issues that rural markets face:**

#### **□ Numerous Middlemen**

Agricultural marketing is considered as a complex process that involves a large number of intermediaries managing a wide range of agricultural goods that are distinguished by seasonality, bulkiness, highly perishable, and so on. The predominance of these middlemen varies with commodities and product marketing channels. The producer's portion of the consumer's birr (pocket) is lowered as a consequence of the involvement of several middlemen.

#### **□ Small and Scattered Holding**

Due to the small and dispersed size of the agricultural holdings, there is a very small amount of marketable surplus produced. It is not an easy task organizing how the products can be assembled for efficient marketing. Moreover there are many varieties of particular crops such as millets and this poses problems in pricing.

#### □ **Transportation and storage**

The most challenging difficulties in rural markets are transportation and the supply chain management. In terms of road connectivity, approximately 50% of Indian villages are linked to the nearest major cities. The rest of the rural markets lack good road connections to neighboring cities, causing physical distribution issues.

Many settlements are located in steep, inaccessible places that are difficult to reach by road. Warehousing is another huge difficulty in rural locations, as there is rarely any structured body to handle the storage issue. Central warehousing corporations and state integrated logistics corporations exclusively provide services in metropolitan and suburban areas.

#### □ **Distribution Channels That Aren't Working**

The distribution network is disorganized and necessitates a high number of intermediaries, which raises the cost. Manufacturers are delaying plans to open stores in these areas due to a lack of sufficient infrastructure. As a result, they must rely on dealers, who are rarely present in rural areas, increasing the obstacles for marketers. Several Languages and Cultural Diversity Dealing with customers is made more challenging by factors like the varying language and behavior of each distinct location. Based on their culture, the sales staff must accommodate the diverse needs of specific locations.

#### □ **Poor facilities for handling, packing, packaging, and processing**

Careful handling and packing are necessary for the efficient and organized marketing of agricultural products. Current handling and packing methods are insufficient. For instance, the packing and initial handling of fruits and vegetables frequently exhibit rough and inconsiderate treatment. Green vegetables are packed in large, hefty bags that will quickly heat up in the center, wilt, and rot. There will be physical harm if workers or passengers ride on top of a load of vegetables. Other issues include the processing of products in an unhygienic manner and with careless handling of fruits. The products are vulnerable to significant physical damage and quality degradation due to improper handling and packing. For example, the absence of tomato processing facilities means all the harvested crops must be sold within a given time and because there are packaging problems, quite a significant portion of the produce could be lost before it reaches the market. These losses not only reduce the amount of goods that are available to consumers, but they also increase the cost of the remaining goods, which must cover all expenses.

#### □ **Market malpractice and adulteration of produce**

Certain times, inferior products are blended with excellent ones and sold as superior products. Since there are no grades and no quality assurance procedures, this is conceivable. Despite the establishment of a consistent system of weights, weights and measures manipulation is nevertheless common in unregulated marketplaces. In the guise of sampling, arbitrary deductions are a typical occurrence. Another characteristic of these uncontrolled markets is sale made undercover.

### **Issues in communication**

The presence of a suitable communication infrastructure is one of the essential components of an effective agricultural marketing system. Rural locations are not well-positioned in terms of posts, telegraphs, and telephones. Due to the low literacy percentage among farmers, communication duties can be challenging.

#### □ **Inadequate Marketing Research**

Up until recently, all efforts were focused on making more products without considering how to sell them. New technology for preserving and storing food must be understood. Additionally, study is required on handling, packaging, and consumer preferences.

#### □ **Possibilities in Marketing agricultural Commodities**

Marketers should consider the following elements while addressing challenges with India's rural market and rural marketing.

□ **The creation of regulated markets**

A market that is regulated attempts to do three things: reduce marketing costs, give producers facilities, and get rid of harmful and dishonest behaviours. Market committees, whose members would be producers, dealers, officials of the marketing organisations, authorities of agriculture and animal husbandry, etc., should be in charge of managing the controlled markets. The institute ought to be autonomous, statutory, and self-supporting. Funds would be raised by market fees on the registered agricultural produce exchanged in the market yard's facilities and license fees. However, the controlled market offers the following advantages:

Farmers are encouraged to bring their produce directly to the markets because:

- (1) Farmers are protected from the exploitation of market functionaries;
- (2) Farmers are guaranteed better prices for their produce;
- (3) Farmers have access to current market information;
- (4) Farmers' marketable surplus will increase;
- (5) Marketing costs will be reduced; and
- (6) Producers' share will increase.

□ **Goods distribution and transportation**

The marketers may employ sock/ clearing- cum- forwarding( C&F) agents in crucial places to help with the physical distribution of their goods in the pastoral request in order to get around issues with distribution networks. This plan's crucial advantage is that businesses and stockholders can resolve the expenditure of the distribution channels. Businesses should profit from the numerous modes of transportation that calculate on the vacuity of tracks. In places lacking access to highways, bullock wagons remain a pivotal element of physical distribution. Some of the biggest MNCs use delivery vehicles in pastoral areas. In the pastoral request, these delivery vans bring the particulars to retail outlets, enabling the businesses to engage in direct deals commerce with deals contact with the vast maturity of pastoral consumers. In turn, this aids in the creation of deals.

□ **Enhancement in Packaging and Handling**

This refers to the use of innovative procedures for the physical handling of goods during the various stages of marketing, such as the management of perishables in cold storage (mechanical refrigeration), new packing techniques, etc. To avoid significant material losses and quality degradation, utilize the best handling techniques and containers among those that are available to protect against dust, heat, rain, flies, and other elements.

□ **Availability of Storage Space**

Application of scientific procedures and supply of suitable storage facilities, based on the nature and qualities of the items and the weather conditions of a location, can reduce physical harm and deterioration of the environment in the products.

- A licensed warehouse is needed to achieve this. The advantages of a licensed warehouse are as follows: provides scientific storage to reduce waste when storing diverse commodities.
- Resources provide the government with assistance in the orderly marketing of agricultural products by: introducing standard grade and requirements; issuing warehousing invoices, a transferable instrument in which commercial banks
- Producer and dealer advance financing helps the government's plan for price support activities.

However, there would be minimally bureaucratic storage procedures. The depositor who wishes to store the produce in the warehouse must submit a written request in the format required by the warehouse. The item intended for storage will be dutifully delivered to the warehouse in a properly packaged state. In the application form, the depositor must provide all information about the commodity, including its market worth. Before being stored, the commodity brought in for storage will be graded and weighed by trained technical experts. For other commodities, separate storage fees would also be applicable, and the stocks available for storage would be covered by insurance against potential dangers of fire, theft, and floods, strikes, and civil unrest.

#### □ **Administration of the Sales Force**

In order to address the problems with sales force management, the company pays special attention when employing and selecting salespeople since the qualities they need differ from those required by salespeople in cities. When working with rural customers, these salespeople need to be patient and fluent in the regional or local tongue.

Managing such a large and distributed sales staff, overseeing their sales calls, helping them with their personal and professional concerns, and motivating them to achieve better results should be both exciting and hard for the sales manager. Therefore, persons who work in rural areas should have a natural desire to assist the community and build ties with its residents.

#### □ **Information on the Market**

As a result, we have publications like newspapers, price bulletins, government agency reports, etc. that offer market information. If a programme for analysis and interpretation of market data was made available, it would make this information considerably more helpful. The farmers can make use of the raw data thanks to a professional interpretation, which undoubtedly yields significant information.

#### □ **Suggestions for Effective Rural Market**

The study of consumer demand by a business in order to increase output and promote a product is known as market research. It focuses on consumer demands, preferences, product impressions, market accessibility, marketing effectiveness, etc. The marketing system needs to be improved, and marketing research must be given top importance.

#### **Suggestion**

- There should be better marketing information system development in India
- The Retail sector should grow as per the requirements of Agricultural Marketing
- Government should develop unique marketing strategies for agricultural sector in India.

India has to enhance its marketing information systems more effectively. The retail industry should expand in accordance with the needs of agricultural marketing. The government should create distinctive marketing plans for India's agricultural industry.

#### **Conclusion**

In India, agricultural marketing is expanding quickly. This may represent a special area of economic advantage for India. The nation's economy would steadily grow if agricultural marketing were to improve. In India, agricultural marketing is becoming more prevalent throughout all states. Additionally, agricultural marketing places a great value on this.

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