

## Marketing Institution and Organization in India

**Prof. Indalkar S. B**

MBA (Agriculture)

Lokmangal College of ABM, Wadala

M.P.K.V.Rahuri Dist Ahmendnagar

Rahuri, Maharashtra, India

**Prof. Wandare G. A**

MBA (Agriculture)

Lokmangal College of ABM, Wadala

M.P.K.V.Rahuri Dist Ahmendnagar

Rahuri, Maharashtra, India

**Prof. Kale A. S**

M.sc.(Agricultural Economics)

Lokmangal College of ABM, Wadala

M.P.K.V.Rahuri Dist Ahmendnagar

Rahuri, Maharashtra, India

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### Abstract—

**M**arketing is as critical to better performance in agriculture as farming itself. Therefore, market reform and marketing system improvement ought to be an integral part of policy and strategy for agricultural development. Indian agriculture has successfully moved towards commercialization. Although a considerable progress has been achieved in technological improvement in agriculture by the use of high yielding variety seeds, chemical fertilizers and by the adoption of plant protection measures. This has been largely attributed to the fact that not enough attention was devoted to the facilities and services which must be available to farmer if agriculture is to develop. India has successfully achieved the targets in agriculture production. The economic efficiency of the marketing system is generally measured in term of the price spread of an agricultural commodity. The smaller the price spread, the greater the efficiency of the marketing system. Agricultural marketing system in developing countries including India can be understood to compose of two major sub system i.e. product marketing and input (factor) marketing. The Paper also highlights some alternative services available in agricultural marketing in Indian that could provide additional value in the agricultural development.

**Keywords—** Agricultural Marketing, Co-operative marketing, food grains, Agri-Business.

### I. INTRODUCTION

Agriculture marketing is the study of all the activities agencies and policies involved in the procurement of farm inputs by the farmers and the movement of agricultural products from the farms to the consumer. The marketing of farm products is a complex process. It includes all the functions and processes involved in the movement of the produce from the farmer (producers) to the consumer. Marketing Function means any single activity performed in carrying products from the point of production to the ultimate consumer. The marketing functions may be classified in various ways i.e. primary functions, secondary functions, Tertiary functions or physical functions, Exchange functions, Facilitative functions...etc. Efficient Marketing is a prerequisite in the development process of any economy. The basic objectives of an efficient marketing are to ensure remunerative prices to the producers and a reduction in marketing cost and margins to provide commodities to consumer at reasonable process and promote the movement of surpluses for economic development.

In the interest of public welfare the government intervenes in the marketing system. The extent of intervention depends on the objectives of the government and the extent of defects and malpractices prevailing in the system. Government intervention may be direct or indirect and it may take any one or a combination of the following forms.

- A) The farming of rules and regulations for the protections of the interest of some section of the population. These may be relate to the grant or restriction of monopolies, restrictions on the activities of traders, licensing and market regulation.
- B) Creation of marketing infrastructure such as storage and warehousing, transportation and communication facilities, credit facilities, grading and standardization.
- C) Administration of prices at different levels of marketing.
- D) Influencing supply and demand by regulating imports, internal procurement and distribution.
- E) Establishment of organizations, to provide services to the farmer for performing certain marketing functions
- F) Promotion of farmers cooperative society for agricultural marketing and agro processing

In India the government has intervened in the marketing system of agricultural commodities in various ways at different points of time since 1930's. Efforts put in by various organizations and the intervention by the marketing of farm products brought out changes in the farmers marketing practices as well as in the agricultural marketing system of the country. Some of the organizations and institute which provides agricultural services directly or indirectly in India are : Directorate of marketing and Inspection, state marketing Department, Agricultural Produces market committee, Central and state warehousing corporation, Agricultural processed food products export development Authority ,Food Corporation India, National cooperative development corporation (NCDC), National agricultural cooperative marketing federation, Maharashtra State agricultural marketing Board, Marine products export development Authority(MPEDA),National Horticultural Board, Hedging and speculation, National Electronics spot market, Director General of foreign Trade, Cooperative Marketing.... Etc.

## **Organization And Insitiute Of Agricultural Marketing Services In India.**

There are various organization and institutions that provide direct or indirect assistance to agricultural marketing in India.

### **II. 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 Authority Act passed by the Parliament in December, 1985. The Act (2 of 1986) came into effect from 13th February, 1986 by a notification issued in the Gazette of India: Extraordinary: Part-II [Sec. 3(ii): 13.2.1986]. The Authority replaced the Processed Food Export Promotion Council (PFEPCC).

#### **Assigned Functions**

In accordance with the Agricultural and Processed Food Products Export Development Authority Act, 1985, (2 of 1986) the following functions have been assigned to the Authority.

- Development of industries relating to the scheduled products for export by way of providing financial assistance or otherwise for undertaking surveys and feasibility studies, participation in enquiry capital through joint ventures and other reliefs and subsidy schemes;
- Registration of persons as exporters of the scheduled products on payment of such fees as may be prescribed;
- Fixing of standards and specifications for the scheduled products for the purpose of exports;
- Carrying out inspection of meat and meat products in slaughter houses, processing plants, storage premises, conveyances or other places where such products are kept or handled for the purpose of ensuring the quality of such products;
- Improving of packaging of the Scheduled products;
- Improving of marketing of the Scheduled products outside India;
- Promotion of export oriented production and development of the Scheduled products;
- Collection of statistics from the owners of factories or establishments engaged in the production, processing, packaging, marketing or export of the scheduled products or from such other persons as may be prescribed on any matter relating to the scheduled products and publication of the statistics so collected or of any portions thereof or extracts therefrom;
- Training in various aspects of the industries connected with the scheduled products;
- Such other matters as may be prescribed.

#### **Products Monitored**

APEDA is mandated with the responsibility of export promotion and development of the following scheduled 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.
- Herbal and Medicinal Plants.

In addition to this, APEDA has been entrusted with the responsibility to monitor import of sugar.

### **III. NATIONAL AGRICULTURAL COOPERATIVE MARKETING FEDERATION OF INDIA LTD. (NAFED)**

National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED) was established on the auspicious day of Gandhi Jayanti on 2nd October 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, who have the authority to say in the form of members of the General Body in the working of Nafed.

#### **Objectives of Nafed**

The objectives of the NAFED shall be to organize, promote and develop marketing, processing and storage of agricultural, horticultural and forest produce, distribution of agricultural machinery, implements and other inputs,

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, partners, associates and cooperative marketing, processing and supply societies in India. In furtherance of these objectives, the NAFED may undertake one or more of the following activities.

- (i) To facilitate, coordinate and promote the marketing and trading activities of the cooperative institutions, partners and associates in agricultural, other commodities, articles and goods;
- (ii) To undertake or promote on its own or on behalf of its member Institutions or the Government or Government Organizations, Inter-State and international trade and commerce and undertake, wherever necessary, sale, purchase, import, export and distribution of agricultural commodities, horticultural and forest produce, other articles and goods from various sources for pursuing its business activities and to act as the agency for canalization of export and import and interstate trade of agricultural and other commodities or articles under any scheme formulated by the Government of India or other Government agencies and to facilitate these activities, wherever necessary, to open branches/sub-offices and appoint agents at any place within the country or abroad;
- (iii) To undertake purchase, sale and supply of agricultural, marketing and processing requisites, such as manure, seeds, fertilizer, agricultural implements and machinery, packing machinery, construction requisites, processing machinery for agricultural commodities, forest produce, dairy, wool and other animal products;
- (iv) To act as warehouseman under the Warehousing Act and own and construct its own godowns and cold storages;
- (v) To act as agent of any Government agency or cooperative institution, for the purchase, sale, storage and distribution of agricultural, horticultural, forest and animal husbandry produce, wool, agricultural requisites and other consumer goods;
- (vi) To act as insurance agent and to undertake all such work which is incidental to the same;
- (vii) To organize consultancy work in various fields for the benefit of the cooperative institutions in general and for its members in particular;
- (viii) To undertake manufacture of agricultural, machinery and implements, processing, packing, etc. and other production requisites and consumer articles by setting up manufacturing units either directly or in collaboration with or as a joint venture with any other agency, including import and distribution of spare-parts and components to up-keep of the machinery/ implements;
- (ix) To set up storage units for storing various commodities and goods, by itself or in collaboration with any other agency in India or abroad;
- (x) To maintain transport units of its own or in collaboration with any other organization in India or abroad for movements of goods on land, sea, air and operate freight station, container depot and undertake other incidental activities;
- (xi) To collaborate with any international agency or a foreign body for development of cooperative marketing, processing and other activities for mutual advantage in India or abroad;
- (xii) To undertake marketing research and dissemination of market intelligence;
- (xiii) To subscribe to the share capital and undertake business collaboration with cooperative institutions, public, joint and private sector enterprises, if and when considered necessary for fulfilling the objectives of NAFED;
- (xiv) To arrange for the training of employees of marketing/ processing/supply cooperative societies;

#### **IV. MAHARASHTRA STATE AGRICULTURAL MARKETING BOARD (MSAMB)**

The Maharashtra State Agricultural Marketing Board (MSAMB), Pune was established on 23rd, March 1984, under section 39A of Maharashtra Agricultural Produce Marketing (Development & Regulation) Act, 1963. MSAMB has done pioneering work in the field of Agricultural Marketing in the State and achieved success in various areas. MSAMB is having an important role in developing and coordinating agricultural marketing system in the State of Maharashtra.

#### **Objectives**

As per the provision of Maharashtra Agricultural Produce Marketing (Development & Regulation) Act, 1963 section 39(J), the Board shall perform the following functions and shall have power to do such things as may be necessary or expedient for carrying out these functions.

- To co-ordinate the functioning of the Market Committees including programmes undertaken by such Market Committees for the development of markets and market areas.
- To undertake State level planning of the development of the agriculture produce markets.
- To maintain and administer the Agricultural Marketing Development Fund.
- To give advice to Market Committees in general or any Market Committee in particular with a view to ensuring improvement in the functioning thereof.
- To supervise and guide the Market Committees in the preparation of plans and estimates of construction programme undertaken by them.
- To make necessary arrangements for propaganda and publicity on matters relating to marketing of agricultural produce.
- To grant subventions or loans to Market Committees for the purposes of this Act on such terms and conditions as it may determine.
- To arrange or organise seminars, workshops, exhibitions on subject relating to agricultural marketing & giving training to members and employees of marketing committee.

- To do such other things as may be of general interest relating to marketing of agricultural produce.
- To carry out any other function specifically entrusted to it by this Act.
- To carry out such other functions of like nature as may be entrusted to it by the State Government.

### **Central Warehousing Corporation**

#### **Mission**

To provide reliable, cost-effective, value-added and integrated warehousing and logistics solutions in a socially responsible and environment friendly manner.

#### **Vision**

To emerge as a leading market facilitator by providing integrated warehousing infrastructure and other logistics services, supporting India's growing economy with emphasis on stakeholder satisfaction.

#### **Objectives**

To be a major player in providing pest control services using environment friendly methods.

To assist in implementation of Warehousing (Development & Regulation) Act, 2007 with a view to expand credit potential of Warehoused goods through banking institutions and NBFCs.

To plan and diversify across the logistics value chain, through forward and backward integration in areas such as port handling, procurement and distribution, cold chain, warehousing financing, 3PL, consultancy services, multi-modal transport etc.

To achieve global presence in the warehousing and logistics field.

To plan and implement Human Resource Development programmes to improve commitment, motivation and productivity of employees for achieving customer satisfaction.

To reduce losses during warehousing, handling and distribution.

To meet changing needs of agriculture, trade, industry and other sectors by providing scientific warehousing and related infrastructural facilities.

### **Maharashtra State Warehousing Corporation**

Maharashtra State Warehousing Corporation was established on 8th August, 1957, under the Agriculture Produce (Development & Warehousing) Act, 1956, which was subsequently replaced by the Warehousing Corporations Act, 1962. The functioning of the State Warehousing Corporation is done on the basis of said Act & the detailed procedure formulated under Bombay Warehouses Act, 1959 and Bombay Warehouses Rules, 1960 duly amended from time to time. As per the Act, MSWC has two Shareholders, one is Government of Maharashtra and another is Central Warehousing Corporation with 50% Shares each. Our Board of Directors consists of 5 Directors nominated by Government of Maharashtra and 5 by CWC and Chairman & MD appointed by Government of Maharashtra. Maharashtra State Warehousing Corporation (MSWC) is one of the oldest State Warehousing Corporation in the country. It was started with 3 Warehousing Centers and has now grown up to the extent of 193 Centers as at present with a total capacity of 15.73 Lakhs M.Ts. (as on 31<sup>st</sup> March 2016) Maharashtra State Warehousing Corporation has introduced measures for providing economical services to the farmers. to store their primary produce. M.S.W.C. encourages to avail the facilities of scientific storage by giving rebate up to 50% to them. Besides rebate up to 50% is also given to the farmers from S.C./S.T. categories and notified tribal areas. Warehousing activities of MSWC include scientific storage of food grains, fertilizers, industrial goods, cotton bales, cement, and at some places it runs custom bonded warehouses and container freight stations.

## **V. NATIONAL COOPERATIVE DEVELOPMENT CORPORATION**

### **Genesis**

The National Cooperative Development Corporation (NCDC) was established by an Act of Parliament in 1963 as a statutory Corporation under the Ministry of Agriculture & Farmers Welfare.

### **Functions**

Planning, promoting and financing programmes for production, processing, marketing, storage, export and import of agricultural produce, food stuffs, certain other notified commodities e.g. fertilizers, insecticides, agricultural machinery, lac, 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 will 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. Now, the Corporation can also go in for direct funding of projects under its various schemes of assistance on fulfillment of stipulated conditions.

## **Finance and Financing**

### **Sources of Funds**

Internal accruals, market borrowings and allocations from Government of India including International assistance.

Purposes for which assistance is provided

- Margin money to raise working capital finance (100% loan)
- Strengthening of share capital base of societies (100% loan)
- Working capital to regional/state level marketing federations (100% loan).
- Term loan for creation of infrastructural facilities like godowns, cold storages, equipment financing, purchase of transport vehicles, boats and other tangible assets
- Term and investment loan for establishment of new, modernisation/ expansion/rehabilitation/diversification of agro-processing industries.
- Subsidy for preparation of project reports/feasibility studies etc.

### **Procedure of Sanction / Disbursal of Assistance**

NCDC assistance is not individual beneficiary oriented but is meant for institutional development of Cooperatives. NCDC supplements the efforts of State Government. The State Governments recommend the proposal of individual society / project to NCDC in the prescribed schematic format. The Society may also avail direct funding of projects under various schemes of assistance on fulfillment of stipulated conditions. The proposals are examined in the concerned functional division and if need be on the spot field appraisal is undertaken. Thereafter, formal sanction of funds is conveyed to the State Govt. / Society. The release of funds depends on progress of implementation and is on reimbursement basis. The period of repayment of loan ranges from 3 to 8 years. The rate of interest varies from time to time.

## **Food Corporation of India**

### **Overview**

The Food Corporation of India was setup under the Food Corporation's Act 1964, in order to fulfill following objectives of the Food Policy:

- Effective price support operations for safeguarding the interests of the farmers.
- Distribution of foodgrains throughout the country for public distribution system.
- Maintaining satisfactory level of operational and buffer stocks of foodgrains to ensure National Food Security

Since its inception, FCI has played a significant role in India's success in transforming the crisis management oriented food security into a stable security system.

### **Objective**

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- Distribution of food grains throughout the country for public distribution system
- Maintaining satisfactory level of operational and buffer stocks of food grains to ensure National Food Security

In its 50 years of service to the nation, FCI has played a significant role in India's success in transforming the crisis management oriented food security into a stable security system. FCI's Objectives are:

- To provide farmers remunerative prices
- To make food grains available at reasonable prices, particularly to vulnerable section of the society
- To maintain buffer stocks as measure of Food Security
- To intervene in market for price stabilization

## **VI. COOPERATIVE MARKETING**

Cooperative marketing is composed of two words –cooperative or cooperation and marketing. Cooperation means a form of association of people to work together to achieve a particular end. Marketing connotes all business activities involved in the flow of goods and services from the point of production until they are in the hands of the consumers. Cooperative marketing is an extension of the principle of cooperation in the field of marketing .It is a process of marketing through a cooperative association formed voluntarily b its members to perform one or more marketing functions in respect of their produce. In other words, cooperative marketing is the marketing 'for the farmer' and 'by the farmer' that aims at eliminating the chain of functionaries operating between the farmer and the ultimate consumers and thus securing the maximum price for the farmers' produce.

### **Regulated Market**

A regulated market is one which aims at the elimination of the unhealthy and unscrupulous practices, reducing marketing charges and providing facilities to producer-sellers in the market. Any legislative measure designed to regulate the marketing practices and charges may be termed as one which aims at the establishment of regulated market.

**Objective**

- a) To prevent the exploitation of farmers by overcoming the handicaps in the marketing of their products
- b) To make marketing system most effective and efficient so that farmers may get better prices for their produce, and the goods are made available to consumers at reasonable prices
- c) To provide incentive prices to farmer for inducing them to increase the production both in quantitative and qualitative term and
- d) To promote an orderly marketing of agricultural produce by improving the infrastructural facilities

**CONCLUSIONS**

India has become exporter countries in the various agricultural commodities from importing countries. India Rank top in various agricultural commodities in world today. The overall objective of agricultural marketing system in developing country like India should be to help the primary producers i.e. the farmer in getting remunerative prices for their produce on the one hand and to provide right type of goods at the right place in the right quantity and at right time and at right price to the processors. This paper highlighted the primary agricultural organization and institution in agricultural marketing in India.

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