

PROSPECTS AND CHALLENGES OF AGRICULTURE MARKETING IN NORTH-EAST INDIA

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ABSTRACT

North-East India comprises of eight states and about 77% of the working population is dependent on agriculture for livelihood, hence development of agricultural marketing bears great importance. It has been seen that there exists a weak link between marketing channels and poor marketing infrastructure, which ultimately leads to high and fluctuating consumer prices. Marketing infrastructure is considered to be the wheels of the economic activities. The rural marketing is unorganized in the region. The topography of the region also acts as a hindrance for movement of agricultural goods to reach proper market place. Beside infrastructure, procurement process, approach of marketing and processing facilities also acts as a major constraint of agricultural marketing in NE Region. The socio-cultural taboos of the region also acts as a constraint for development of agro based industries which could have served in the value addition of the economy. This paper tries to analyze the prospects and challenges faced by agricultural production and agricultural marketing in NE region. The study found that non-

availability of bio-pesticide, lack of information about organic farming, absence of crop insurance etc. as some of major problems abstaining agricultural production. Lack of proper information of the market, lack of proper storage facilities, high cost of production, lack of agricultural credit facilities etc. serves some of the significant problem in agricultural marketing.

KEYWORDS: NE Region, agricultural marketing, challenges, infrastructure, development

INTRODUCTION

Agricultural marketing system is an efficient way through which farmers can dispose their surplus produce at a fair and reasonable price. It plays a pivotal role in improving the condition of the farmers and agriculture. The term agricultural marketing involves all the activities relating to procurement, grading, standardizing, storing, transporting and selling of agricultural produce.

Agricultural marketing plays an important role in socio-economic transformation of an agrarian economy like India. It has been recognized that our country cannot move forward towards the path of economic growth without paying fair prices to the farmers for their produce. Studies have shown that an increase in agricultural production is useless if parallel development in marketing infrastructure is not undertaken. A sound agricultural marketing system is important for effective rural and agricultural development, especially with regards to sustained increase in agricultural production and farmer's income.

77 per cent of the working population in in NER of India is engaged in agriculture. The region is a home to diverse flora and fauna. The immense beauty is often contrasted by presence of widespread poverty, low per capita income, high unemployment, poor marketing facilities leading to food insecurity in many parts of the region. The strengths and opportunities are not utilized to its full capacity, with the hidden treasures remaining hidden. It is very important to make utilization of the resources which are available to us, which may help to bring about economic development and growth to the region.

LITERATURE REVIEW

The study by B,C Barah (2006) shows the problems relating to different regions of India which involves both traditional or conventional agricultural practice, lack of institutional credit

facilities, fragmentation of land holdings, poor natural calamities, lack of knowledge about a new crop and experiences with a modern crop and poor infrastructure of agricultural marketing was evident.

Although the country is referred to as "Home of Spices", export of which has helped to earn immense foreign exchange, the sector still remains behind the required level of development. A study by Sajith Mohan, S.Rajan and Unnikrishnan. G, (2013) found that the underdevelopment of sector is attributed by various sectors such as lack of proper marketing infrastructure, poor supply chain management etc.

Deka and Sharmah(2012) in their research has tried to study the current position of agricultural marketing in North Eastern region and study its prospects and challenges. They have also put forward few measures that might help in bringing development in the sector in the future. They suggested that agri-business needs to be developed and diversification of agricultural produce creates a marketing system which yields value added remuneration to the farmers and the end users.

Irengbam(2012) in his research paper has tried to put forward a comparative picture of agricultural marketing of north east India and Punjab. He tried to highlight the major problems in both the states separately.

Elamanthi(2013) has studied the various channels for food procurement of food products. It was found that farmer requires protection against exploitation in the procurement process especially in state of Assam where the agriculturalist is subject to difficult natural calamities and various other constraints.

East India Policy focuses on strengthening the nation economy with ASEAN which will eventually benefit the North Eastern India. The project includes trilateral highway for multi-model trade and promote prosperity with neighbouring countries (Ashok Sajjanhar, 2016).

(Paul W. K. Yankson, Alex Barimah Owusu & Stephen Frimpong, 2016) in their research work found that poor condition of road acts as an obstruction towards vehicle owners accepting to carry the farmers produce to the market as it reduces the life span of their vehicle. This leads to

damage of perishable goods due to the lack of proper storage facilities. Moreover, poor condition of the roads tends to increase the transportation cost of the farmers.

PURPOSE OF THE STUDY

Since majority of the population in the region depends upon agriculture as their major source of livelihood, it is very important to study its status the present times. It is important to diagnose the problems existing in the NER for providing improved marketing infrastructure and value added economic benefits to the farmers through better management of various post-harvest functions of the horticultural crops. Also, it is very important to recommend how farmers, traders or government can work towards improving agricultural sector and agricultural marketing or Agri-business in the region.

OBJECTIVES

- 1) To examine the existing position of agricultural marketing in NER with a view to know about its prospects and challenges.
- 2) To identify constraints in agricultural production.
- 3) To suggest measures to overcome the problems associated with agricultural marketing in the region.

METHODOLOGY

To understand the existing position of agricultural marketing in NER, secondary data were collected from various sources like published reports brought out by the Department of Agriculture in NER states, Directorate of Economics and Statistics, Weekly Journal of rural development, other books related to agricultural marketing.

Data were also collected from primary sources from two states in North-East India, namely Assam and Meghalaya to understand the problem in agricultural production and marketing. Two states were selected by random selection through lottery method. Kamrup and Nalbari district was selected from Assam, Ri-Bhoi and West Jaintia Hills district of Meghalaya was selected for the purpose of study. The sample size of the study was 110. Standard questionnaire was used to approach the farmers of the above districts.

AGRICULTURAL MARKETING IN NER

It is evident from various studies that, agricultural marketing is dominated by private traders in most of North-Eastern states. This may attributed to lack of proper implementation of Marketing Regulation Act by State Agricultural Marketing Board. Among all the states, Assam, Meghalaya and Tripura have Market Regulation Act, although proper implementation of it has been hampered by various reasons.

Assam is an agrarian economy with about 75% of its rural population being dependent on agriculture for their livelihood. Since the overall development of the economy depends upon development of agriculture, hence this sector has gained immense attention in the planning process. Under the existing system of marketing, farm produce reaches many hands before it reaches the consumers, extracting large amount of money in the process from what is received from the consumers, while farmers get only a little share. Poor condition of the farmers and weak bargaining power of the farmer's has led the middle men to take advantage during the procurement process of the food grains. As most of the agricultural products are perishable in nature, and lack of availability of proper storage facilities have forced the famers to dispose their product at the earliest even at a low price. The Assam State Agricultural Marketing Board (ASAMB) has established 24 Regulated Market Committees, 20 Primary Market Yards, 206 Sub-market Yards, 735 Rural Primary Markets and 405 Wholesale Markets. The Regulated Markets have been covered under AGMARKNET (Economic Survey, Assam, 2010-11). The PMGSY scheme is also a major step that has helped to benefit the farmers in taking out their agricultural produce to the nearby urban markets.

In Arunachal Pradesh, there is absence of effective regulated markets, the whole trade pivots around the private merchants who mostly procure the commodities at local markets in villages held periodically. The traders are also found to take the contract of standing crops particularly paddy and fruit and harvest it at their cost paying prices to the farmers which is less than prevailing market price. Moreover, the conditions of the state do not allow for free and uninterrupted transportation.

In Manipur, the agricultural marketing is not well organized. The farmers usually have small landholdings and such agricultural produce also tends to be less. In such cases, it is difficult and uneconomical for the farmer to carry smaller amount of produce to a large distance for sell where middlemen are present at various stages. The agricultural produce in such cases are collected from the producers in the interior villages and are brought to a central point, which is the assembling centre, by the womenfolk. Sometimes agriculturists sell their produce to the itinerant merchants. From the village markets it is procured by the itinerant merchants and agents of wholesalers belonging to towns such as Imphal. Road transport is the only means of transport for farm products to reach distant places as there is no rail link in the state. Inadequate transport facility causes glut in the producing area and scarcity in consuming centres at times affecting both the producer for receiving in lower price and the consumer due to irregular supply and high retail price.

Similarly, other north eastern states like Nagaland, Mizoram and Sikkim also are suffering from lack of proper agricultural marketing infrastructure. Entire market is handled by middlemen and private traders. The advantages are taken by the middlemen and traders due to the difficult geographical terrain and lack of proper transportations and other basic infrastructure facilities in rural areas. In these states primary markets are serving but there is no uniform pattern of organizational and management set-up of these markets.

FINDINGS AND ANALYSIS

From the mean analysis, absence of crop insurance, non-availability of bio-pesticide and Non-availability of information on organic farming can be categorized as some of the major problems facing the farmers in agricultural production. Incidence of pest and diseases, Limited and irregular power supply and inadequate price for producers can be categorized under moderate problems in production insurance. Poor availability of Inputs and non-availability of labor can be categorized under mild problems in production for farmers (Rohatash. K. Bhardwaj, B. K. Sikka, Ashutosh Singh, M. L. Sharma, N. K. Singh, 2011). Following the above technique, the mean value of problems in agricultural production are calculated and ranked in Fig 1.

FIG 1. CHALLENGES OF AGRICULTURAL PRODUCTION IN NER

S. NO	Statement	Mean	Rank
1	Inadequate price for producers	3.88	6
2	Absence of crop insurance	4.90	1
3	Unavailability of modern inputs	3.40	8
4	Absence of good planting materials	4.21	4
5	Absence of organic manure	3.30	9
6	Absence of bio pesticide	4.87	2
7	Incidence of pests and diseases	3.75	7
8	Irregular and limited power supply	3.90	5
9	Non-availability of labour	3.21	10
10	Lack of information on organic farming	4.50	3

Author's calculation

From the mean analysis Lack of Agricultural Credit facilities, Lack of market information, Lack of warehousing and storage facilities, too many intermediaries resulting in high cost of goods and services, Lack of Farmers' Organization, Non-availability of market exclusively for organic produce and Price setting mechanism not transparent can be categorized under severe problems in marketing for farmers (Shashi Yadav, 2016).

Market information not easily accessible, high cost of transportation, inadequate market Research, Price fluctuation, Small and scattered holding, Low productivity (Sajith Mohan, Sheena. S.Rajan, Unnikrishnan. G, 2013) and Non-availability of market related information can be categorized under moderate problems in marketing for farmers.

Lack of man power in marketing, Poor Handling, Packing, Packaging, and Processing Facilities, Lack of transport facilities, Lack of Uniformity in Grading and Standardization and Faulty weighing can be categorized under mild problems for farmers (Parag KR. Deka and Dinesh Sarmah 2012, Shashi Yadav, 2016).

FIG 2. CHALLENGES OF AGRICULTURAL MARKETING IN NER

S.NO	Statements	Mean	Rank
1	Small and scattered holding	3.60	13
2	Lack of warehousing and storage facilities (cold storage, warehouses or otherwise)	4.80	3
3	Lack of man power in marketing	3.52	14
4	Lack of Agricultural Credit facilities	4.90	1
5	Lack of Uniformity in Grading and Standardization	3.68	12
6	Poor Handling, Packing, Packaging, and Processing Facilities	3.21	17
7	Lack of market information	4.87	2
8	Lack of Farmers' Organization	3.48	15
9	Low productivity	3.15	18
10	Lack of transport facilities	3.77	11
11	Too many intermediaries resulting in high cost of goods and Services	4.65	4
S.NO	Statements	Mean	Rank
12	Non-availability of market exclusively for organic produce	4.51	5
13	Price fluctuation	3.30	16
14	Price setting mechanism not transparent	4.35	7
15	High cost of transportation	4.48	6
16	Market information not easily accessible	4.20	8
17	Faulty weighing	3.10	19

18	Non-availability of market related information	4.11	9
19	Inadequate market Research	3.85	10

Author's calculation

MEASURES TO IMPROVE AGRICULTURAL MARKETING

It is therefore evident from the study that a defective agricultural marketing system only leads to increase in output of the farmers but not his returns. The following measures can be undertaken to improve agricultural marketing in NER.

- 1) **Co-operative Marketing-** Since most of the farmers in the region are small and marginal, and often faced with various problems relating to agricultural marketing, cooperative marketing seems to be an effective mechanism. The main aim of the cooperatives is provide agricultural input at a lower price and sell them at the best (higher price). They collect the produces from the farmers directly, standardize them, weigh them, store them and transport them to sell in the markets.
- 2) **Grading and standardization-** Proper grading and standardization help to bring the best products into the market, reducing wastage and also attracting for buyers for better quality of agri-products. It has a two way effect, on one hand it induces the farmers to grow quality crops and on the other hand it helps the buyer to choose amongst the best for the right price.
- 3) **Financial Assistance-** Institutionalised financial assistance is one of the most important aspects which helps to cover expenditure relating to operational cost of farming, maintain livelihood and increase the holding capacity of the farm produce to grab the best opportunities from the market. Cooperative credit society is the best financial organization for providing credit to the farmers considering the little or no means of the farmers. The credit must also be linked with marketing arrangements such that the farm products sold through the cooperative society helps to redeem the debt and sell the products at a fair price.

- 4) **Public Distribution-** Public distribution plays an important role in the field of agricultural marketing because it ensures procurement of produce directly from the farmers at fair price and distribute throughout the state at a fixed price.
- 5) **Market Information-** Market information plays an important role in developing information and extension network for accumulating quality inputs for the farmers. Market information through broadcasting in radios, television or any other means might also be beneficial for the farmers in rural areas of the NER.
- 6) **Proper storage and transportation facilities-** Since agricultural products are mostly perishable in nature, ensuring proper storage facility is an important aspect of agri-products marketing. It ensures proper transport of the products to a distant market place without it getting wasted. It also ensures bargaining power amongst the farmers who can store their produce until the best price is found. Proper transportation facilities helps to ensure carrying facilities of the farm products at a lower cost in no time. Diesel operated vehicle for quick transportation is very effective for agricultural marketing.
- 7) **Standard weights-**The need for using standard weights throughout the country is a must. Lack of use of standard weights would continue to keep agricultural marketing into an undesirable state of affairs.

CONCLUSION

Marketing is the ultimate crux of the food and agricultural problems facing a developing country. It would be useless to increase the agricultural production until and unless it cannot be assured that the agricultural produce from the field reaches the consumers at a fair remuneration to the farmers on one side and consumers ability to pay on the other side. In this respect, the agricultural marketing societies provide a platform for selling of agricultural produce at a fair price. There have also been many Cooperative agro-processing that promised extraordinary potential to boost the Indian economy. The problems relating to agricultural production and marketing in NER will take time to solve until and unless the state or the central government, NGO's, public and other institutional bodies works together sincerely for its betterment. Agriculture and livelihood in this region can be strengthened by increasing productivity of high value commodities. NER

has a suitable climate for many new high value crops which can help to improve economy of the region. Well develop facilities for storage, transportation, credit and interactive dialogue with the regional stakeholders may give a strong boost to this sector in the economy.

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