

AGRICULTURAL MARKETING OF PRODUCTS A CASE STUDY OF HAVERI DISTRICT

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Meaning

Agricultural marketing connotes a series of activities involved in the moving of goods i.e farm inputs from the point of production to the point of consumption. it includes all the activities in the creation of time, place, farm and possession utility.

MARKETING OF FARM PRODUCTS:

Some of the special problems in the marketing of agricultural products are outlined as:

Output of agriculture is largely a raw material which is used for further processing. Agricultural products are both bulky and perishable. Bulkiness makes marketing difficult and increases the unit cost of transportation and storage. Perishable products require speedy handling and refrigeration. Much of the agricultural production is highly seasonal. Due to this, processing plants run at full capacity for some periods and at below capacity during slack periods. Quality and quantity of the agricultural products is beyond the control of farmer. Due to imbalances in supply and demand, prices of agricultural products fluctuate. Variation in quality makes it tough to apply uniform standards from year to year. Agricultural output mostly comes from small units operating independently.

MARKETING FUNCTION :

Marketing function is any act, operation or service by which original producer and final consumer are linked. Thompson has classified the marketing function into three broad groups:

MARKETING FUCTION		
PRIMARY	SECONDARY	TERTIRY
1.Assembling	1.Standardization	1. Banking
2. Processing	2. Packaging	2. Insurance
3 Dispersion	3. Transportion	3.Comunication
	4. storage	
	5. Financing	
	6. risk bearing	
	7.Market intelligence	

Primary Services: Assembling, also known as procurement is done to meet the demand of the consumers and provide sufficient volume of business to middlemen. It helps to create new demand and maintains quality of the product for a longer period. Dispersion is keeping steady flow of

vast volume of goods which is flowing into the central markets through the assembly and marketing system to the consumers.

SECONDARY SERVICES: Standardization is done for the uniformity quality and involves determination of standards. Grading is application of basic descriptive standards such as size, colour or appearance. In packaging, the products are put in to packs to prevent spoilage and waste and facilitate their movement from the farms into possession of final consumers. Transportation creates place utility for commodities. Storage is the process of holding and preserving goods. Financing function of marketing involves the use of capital to meet the financial requirement of agencies engaged in various market activities. Risk bearing include two types of risk. Physical risks involve the destruction of the product by fire hazard, accident, cold and heat etc., as natural hazards. Market intelligence includes information relating to such facts and prices that prevailed in the past and market arrivals over time.

MARKET FUNCTIONARIES:

The various agencies and business establishments which perform the marketing functions are known as marketing agencies or market functionaries. Various agencies are involved which are discussed below.

Producers

Most of farmers or producers perform one or more marketing functions. They sell the surplus either in the village or in the market. Some farmers especially big ones, assemble the produce of small farmers, Transport it to the nearby market, sell it there and make a profit.

Middlemen

Middlemen are those individuals or business concerns which specialize in performing the various marketing functions. The middlemen in food grain marketing may be classified as follows:

Merchant middlemen

Merchant middlemen are those individuals who take title to the goods they handle. They may gain or lose, depending on the difference in purchase and sale prices. Merchant middlemen are of four types:

Wholesalers: They buy and sell food grains in large quantities. They may buy either directly from farmers or from other wholesalers and sell to retailers, other wholesalers or processors

Itinerant traders: They are petty merchants who move from village to village and directly from cultivators.

Village merchants: They act as financiers of poor farmers and also supply consumption goods to farmers. They collect the produce of their clients and sell it in the nearby market.

Retailers: They buy goods from wholesalers and sell them to consumers in small quantities.

Agent middlemen

Agent middlemen act as representative of their clients. They do not take title to the produce. They merely negotiate the purchase and/or sale. Agent middlemen are of two types.

Commission agent or Arhatia: He is a person operating in the wholesale market who acts as a representative of either a seller or a buyer. A commission agent normally takes over the physical handling of produce, arranges for its sale, collects the price from buyer, deducts his commission, remits the balance to the seller.

Brokers: They bring to gather buyers and sellers on the same platform for negotiations. They may claim brokerage from the buyer or the seller or both.

Speculative middlemen

Those middlemen who take title to the product with view to making a profit on it are called speculative middlemen. They are not regular buyers or sellers of produce. They specialize in risk taking. They do minimum handling of goods. They make profit from short run as well as long run fluctuations.

Facilitative middlemen

Some middlemen do not buy and sell directly but assist in marketing process. These middlemen receive fees from those who use their services. The important facilitative middlemen are 'hamals or laborers'. They physically move goods in market place. Weigh men facilitate correct weighing of the produce. Graders sort out the product into different grades based on some defined characteristics. Transport agency assist in the movement of the produce from one market to another. Communicative agency helps in communicating the information about the prices prevailing and quality available in the market.

Conclusion

A timely supply form of inputs such as seeds, fertilizers, pesticides, farm equipment and machinery to the farmers of all categories depends on the existence of an efficient marketing system

References

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- Raymond A.T. George – Vegetable Seed Production