

THE EMPIRICAL STUDY ON THE ISSUES AND CHALLENGES IN MARKETING OF AGRICULTURAL PRODUCTS IN DAKSHINA KANNADA AND UDUPI REGION

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ABSTRACT: India is a fastest growing and competitive economy in the world today with greater opportunities in various sectors. Basically, Indian Economy is agrarian economy, but presently it is dominated by other sectors of the economy. The southern states and coastal region is nourished and fostered with diversified resources and agricultural produces. Though the coastal region (of Karnataka) is gifted with well-developed banking, financial and educational institutions, there exists a series of challenges for the agriculturists in marketing of their farm products. Agricultural marketing as an activity is a course of action which starts with the decision to produce saleable agricultural farm goods and comprises all aspects of marketing techniques. The government has taken various measures to change the scenario of agricultural marketing system, but no transformation has taken place in coastal agricultural marketing. The agricultural marketing in coastal region involves various bottlenecks like dominance of private intermediaries, lack of market information, improper storage and warehouse facilities, high charges on transportation, small holdings by agriculturists etc. The objective of the study is to enhance the marketing opportunities for agricultural products and to analyze the challenges faced by the agriculturists in marketing of farm produces and to find the some solutions to the challenges faced by them. This study also focuses on the initiatives that the government can take, to enrich the marketing opportunities of the farm products. E-commerce business has a wide network all over coastal region, in the same way there is a vital need of marketing of farm produces with the help of electronic media. Even there is the requirement of uniting all the agriculturists and adequate information regarding the use of technology and electronic media in marketing of agricultural produces must be provided.

Keywords: *Agriculture, Agricultural marketing, Challenge*

INTRODUCTION

In developing countries like India, economic progress is determined by observing the development in agricultural sector. Agricultural sector is changing drastically, all over the world and above all in developing nation like India. This is mainly because of technological advancement and has resulted in reduction in demand for labour, increased the use of chemical fertilizers and has led to mechanization in agriculture. Technological progress also has led to significant increase in cost of production of farm resources, depletion of top layer of soil, pollution of ground water etc. Agricultural sector in 1950-60's was contributing highly to the GDP. But there was no much awareness, government involvement; interest of farmers was also not considered. After 1960, and specifically after Green Revolution, the government has taken various initiatives to promote and development of marketing of agriculture.

The basic problem in agricultural sector, in India, is the low farm productivity. This depends on various factors, like natural, institutional, technical, and agrarian. Marketing has a vital role to play in this in this field. The main aim of marketing is that the agriculturist must earn more return and there must be minimum difference between selling and buying prices. For the overall development of the nation there is a requirement of effective and efficient system of marketing. There are various institutions, co-operatives, regulated markets which work for the promotion of marketing of agricultural produces. In India, there are APMC's, Regulated Markets etc. which play a crucial role in agricultural marketing. But there exists various drawbacks, especially in coastal region in the field of storage of perishable farm produces, selling and marketing of agricultural products.

Even though there exists rapid changes in economy and technology, the issues and challenges faced by the agriculturists of coastal region is also becoming significant. In coastal region, agriculturists produce the farm produces according to their desire, but are not able to sell the products according to their requirement, because of lack of marketing information and techniques.

OBJECTIVES OF THE STUDY:

- To know the issues and challenges faced by Agriculturists in marketing of Agricultural produces.
- To provide significant suggestions regarding marketing of farm products

SCOPE OF THE STUDY:

The study is limited to the analysis of issues and challenges faced, opportunities available to the Agriculturists in marketing of agricultural products.

RESEARCH METHODOLOGY:

The study is done using both primary and secondary data. The main source of data is field interview carried out. Secondary data is also used for the study. All facts and problems discussed are based on the research study on Issues and Challenges faced by Agriculturists in Marketing of Agricultural produces. The main intention of the study is to discuss the issues and challenges of Agriculturists in marketing of Farm products.

DATA SOURCE:

1. **Primary data:** A field study was conducted by visiting Agriculturists in Dakshina Kannada and Udupi area. Personal interview was carried out and information is collected.
2. **Secondary data:** The paper also took help of secondary data like various research papers, journals, newspapers, and online data base.

LIMITATIONS OF THE STUDY:

The limitations of this research paper are as follows:

1. The primary data is collected by visiting Agriculturists in Dakshina Kannada and Udupi area.
2. Most of the data collected includes both primary and secondary, but no statistical techniques used.
3. The obtaining of responses for the research is restricted to 72 agriculturists only.

PRESENT CONDITION OF THE MARKETING OF AGRICULTURAL PRODUCE:

Agriculture is the backbone of Indian economy. Until 1990, agriculture and allied activities were leading the economy, by contributing high percentage towards gross domestic product. But after 1991, the other sectors, that is secondary and tertiary sector overtook agricultural sector. There was high progression in secondary and tertiary sector and has enriched to a great extent, leaving agriculture and allied activities behind.

In coastal region, that is, Dakshina Kannada and Udupi region, the agriculturists are having small and scattered holdings. They depend on rainfall to grow their cultivation. The adverse climatic change often is a hindrance for the agriculturists. So, the agriculturists prefer to sell their perishable farm produce to the small retailers of their village and other crop produces to the private intermediaries. Most of the agriculturists produce small quantity of products and they sell these small quantities in the nearby retail shops. The price quoted by the retailer will be finalized. The agriculturists sell to nearby retailers and known private intermediaries because this reduces their cost of transportation and they will earn small amount of profit, in which they are self-satisfied. Some of the agriculturists produce vegetables and fruits and provide it to their relatives, neighbors etc. They are not interested in marketing of their agricultural produce. Some of the agriculturists sell their vegetables, grains to the nearby and known hotels and earn the return.

Even now the state of agriculture and allied activities has not changed. Marketing of agricultural produce, even today is challenging for the agriculturists. Especially in coastal region, the agriculturists suffer the most.

ISSUES AND CHALLENGES FACED BY THE AGRICULTURISTS IN MARKETING OF AGRICULTURAL PRODUCES:

Being an Agriculturist is not an easy job. It is like riding bike in slippery ground. It involves various hardships. Agriculturists commonly face various problems involved in marketing of agricultural produce

that occur due to various factors and the agriculturists of coastal region are not exclusion to it. Agriculturalists of coastal region are farmers with small holdings and generally grow coconut, arecanut, vegetables, grains and crops. They are generally uneducated and do not have the skills of marketing. Hence, in the competitive economy they face a lot of problems in selling their agricultural produces. The common problems that are faced by the agriculturists of coastal region are explained below.

1. In coastal region, 95 percent of the agricultural produces is sold through private intermediaries. The private intermediaries purchase the agricultural products for lower prices and sell them for very high prices. Especially the perishable products are dealt by the private intermediaries in this way. The agriculturists are helpless, and need to accept the price fixed by the intermediaries. Or else the perishable farm products will be spoiled, and they incur huge loss. There **is high degree of domination by the private intermediaries** and there is no opportunity for the agriculturists to quote the price. Therefore in the market, the products are sold at high prices to the final consumers and with limited margin to the agriculturists.

2. Most of the agriculturists in coastal region have **small or limited holdings**. They are not able to spend more money on marketing of agricultural produces. Generally all agriculturists are poor, uneducated farmers. So, they even do not obtain adequate market information, and will be easily dominated and will be defrauded by the middlemen.

3. Those farmers who produce perishable products like vegetables and fruits **do not have proper storage facilities**. Perishable farm products require cold storage facility. There is improper storage facility in coastal region for the agriculturists. Even in APMC's or regulated there is no proper cold storage facility; moreover they charge high charges for cold storage facility. As the agriculturists cannot store the perishable products, they sell them for the price quoted by the middlemen.

4. One more hindrance is that, the agriculturists **do not gain the actual grants and facilities** provided by the government. It will be grabbed by other officials. Even there is understanding between government officials who work in APMC's and middlemen. So, every gain will be enjoyed by the middlemen, and not agriculturists.

5. APMC's charge a market fee ranging between 2-5 percent of the sale value from the agriculturists. In addition to it, commission charges are also there and it varies from 1 percent to 2.5 percent for food grains and 4 percent to 8 percent for fruits and vegetables. Again the agriculturists have to pay purchase tax, weightment charges etc. Hence, as the agriculturists of coastal region have small holdings, they must pay a **huge amount as fees and charges and incurs heavy loss**. Even the agriculturists incur the transportation cost. For small holding agriculturists, when all such small costs are mounted together, it will be a huge expense. Because of these reasons, the agriculturists prefer to sell their agricultural produce to the private intermediaries.

6. The agriculturists sell their agricultural produce to the private intermediaries as they can avail immediate cash. These intermediaries resort to **malpractices such as hoarding and black marketing** and create an artificial demand for the agricultural produce and earn huge profit. But the agriculturists will obtain an insignificant amount for their hard work and all the profits will be enjoyed by the intermediaries.

7. The facilities given by the government are not perfectly reaching the agriculturists. The subsidy facilities and other facilities are not enjoyed by the agriculturists. Agriculturists do not avail these facilities. Moreover, there are difficult or **rigid norms for obtaining credit facilities** for the farmers. Hence, they even face financial problem and they borrow money from money lenders at a very high rate of interest.

8. In coastal region there is **lack of organization of the agriculturists**. There exists organization for intermediaries, shop owners etc. But there is no proper authorized body that helps for the improvement of the condition of agriculturists. The scattered agriculturists sell their farm produces individually which results in huge expenses for the agriculturists.

9. For the production of agricultural products, the **agriculturists incur high cost of production**. This is because; the labour charge in coastal region is very high. Moreover there is **lack of efficient and skilled labourers**. The agriculturists need to pay high wage charges even if the labour is inefficient and unskilled.

10. **Inadequate research on marketing of Agricultural products** is one more drawback. The agriculturists are unable to get the adequate market information regarding the agricultural products,

as most of them are uneducated. Even the government only concentrates on the production of agricultural products and not on marketing of agricultural produces.

SUGGESTIONS:

Here are few suggestions for the improvement in agricultural marketing. They are:

- We suggest that the government need to take appropriate measures to boost marketing of the agricultural produces. Farmers or agriculturists do not have faith on the government; this thinking of the agriculturists must be changed. So the government needs to create trust among the agriculturists by giving various facilities directly to the farmers.
- We suggest that government can provide proper storage facilities for perishable agricultural produces. Cold storage facility must be provided by the government to the agriculturists with reduced rate.
- There is no union among the agriculturists. The agriculturists need to unite and create their own union and can help each other. Problems of the agriculturists can be discussed and they can solve the problems by themselves. This helps for the betterment of the farmers of the rural area.
- These farmers do not access to proper market information. They need to gain the market information by various sources like TV, newspaper or any other relevant sources.
- Presently, in the economy, there is existence of e-commerce business. The agriculturist must make use of the e-commerce in the effective and efficient manner. The agriculturists must come under one roof and can create their own e-commerce business.
- The agriculturists need to utilize the new technology instead of depending on the labourers.

CONCLUSION

There has been progress in marketing of agriculture in India, but many issues and challenges are still present. There is a requirement of suitable and appropriate supply chains for marketing of agricultural products. Agriculturists only suffer loss by producing the farm products; every other person involved in selling of agricultural products to the final consumer earns huge profit. It may be retailers, intermediaries etc. Even dominance of government officials in various departments make agriculturists depressed and miserable. The future of every nation depends on the agricultural and its allied activities. If the agriculturists are facing issues and challenges, then the government or the responsible authority must take up appropriate steps and help for the betterment of the agriculturists of the nation. The situation of agriculturists of Dakshina Kannada and Udupi region is still dreadful. With limited holding, no proper storage facility, dominance by various intermediaries and moneylenders the uneducated agriculturists are facing the pathetic condition. The government has to take serious, advanced and virtuous decisions to uplift the condition of the agriculturists. Once the agriculturist's condition is improved, then they will find the effective way to market their agricultural produce.

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