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50 DAYS PLAN

Mains Answer Writing Program
for **BPSC 67**

INDIAN ECONOMY

15. Examine the significance of Agriculture marketing in agriculture sector. What are the recent govt. schemes in this regard?

15. कृषि क्षेत्र में कृषि विपणन के महत्व का परीक्षण करें। इस संबंध में हाल की सरकार की योजनाएं क्या हैं?

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Introduction

Agricultural marketing is a process which starts with a decision to produce a saleable farm commodity, involves all the aspects of market structure or system, both financial and institutional, based on technical and economic considerations, and includes pre- and post-harvest operations, assembling, grading, storage, transportation and distribution.

Significance of agriculture marketing in agriculture sector

1. Increase Farmers Income

- An efficient marketing system ensures higher levels of income for the farmers by reducing the number of middlemen or by restricting the commission on marketing services and the malpractices adopted by them in the marketing of farm products.
- An efficient system guarantees the farmers better prices for farm products and induces them to invest their surpluses in the purchase of modern inputs so that productivity and production may increase. This again results in an increase in the marketed surplus and income of the farmers.

2. Widening of Markets

- A well-knit marketing system widens the market for the products by taking them to remote corners both within and outside the country, i.e., to areas far away from the production points.
- The widening of the market helps in increasing the demand on a continuous basis, and thereby guarantees a higher income to the producer.

3. Employment

- The marketing system provides employment to millions of persons engaged in various activities, such as packaging, transportation, storage and processing.
- Persons like commission agents, brokers, traders, retailers, weigh-men, hamals, packagers and regulating staff are directly employed in the marketing system.
- This apart, several others find employment in supplying goods and services required by the marketing system.

4. Reduce wastage

- An efficient agricultural marketing system leads to the optimization of resource use and output management.
- An efficient marketing system can also contribute to an increase in the marketable surplus by scaling down the losses arising out of inefficient processing, storage and transportation.
- A well-designed system of marketing can effectively distribute the available stock of modern inputs, and thereby sustain a faster rate of growth in the agricultural sector.

5. Adoption and Spread of New Technology

- The marketing system helps the farmers in the adoption of new scientific and technical knowledge.
- New technology requires higher investment and farmers would invest only if they are assured of market clearance.

6. Growth of Agro-based Industries

- An improved and efficient system of agricultural marketing helps in the growth of agro-based industries and stimulates the overall development process of the economy. Many industries depend on agriculture for the supply of raw materials.

Recent government schemes to promote agriculture marketing

1. National Agriculture Market (e-NAM)

- National Agriculture Market (NAM) is a pan-India electronic trading portal launched on 14th April, 2016 completely funded by Central Government and implemented by Small Farmers Agribusiness Consortium (SFAC).
- NAM portal networks the existing APMC (Agriculture Produce Marketing Committee) / Regulated Marketing Committee (RMC) market yards, sub-market yards, private markets and other unregulated



markets to unify all the nationwide agricultural markets by creating a central online platform for agricultural commodity price discovery.

- The scheme envisages deployment of a common e-market platform of 585 selected regulated wholesale agriculture market yards by March, 2018. The common electronic trading portal will be called as e-NAM.

2. Agriculture marketing infrastructure scheme

- The Government is implementing Agricultural Marketing Infrastructure (AMI), a sub-scheme of Integrated Scheme for Agricultural Marketing (ISAM), under which assistance is provided for construction/ renovation of godowns/ warehouses in the rural areas in the States to enhance the storage capacity for agriculture produce.
- Under the scheme, Government provides subsidy at the rate of 25% and 33.33% on capital cost of the project based on the category of eligible beneficiary. Assistance is available to Individuals, Farmers, Group of farmers/growers, Agripreneurs, Registered Farmer Produce Organizations (FPOs), Cooperatives, and state agencies etc.

3. The Agriculture Infrastructure Fund

- The Agriculture Infrastructure Fund is a medium - long term debt financing facility for investment in viable projects for post-harvest management infrastructure and community farming assets through interest subvention and credit guarantee.
- The duration of the scheme is from FY2020 to FY2029 (10 years). Under the scheme, Rs. 1 Lakh Crore will be provided by banks and financial institutions as loans with interest subvention of 3% per annum and credit guarantee coverage under CGTMSE for loans up to Rs. 2 Crores.
- Eligible beneficiaries include farmers, FPOs, PACS, Marketing Cooperative Societies, SHGs.

4. Farmer Producer Organizations(FPOs)

- The Government of India has approved and launched the Central Sector Scheme of “Formation and Promotion of 10,000 Farmer Producer Organizations(FPOs)” to form and promote 10,000 new FPOs till 2027-28.
- As a cohesive group, farmers as members of the FPO will have better bargaining power which can be leveraged to buy or sell commodities at competitive prices.
- Aggregation of agricultural produce for better marketing opportunities. Trading in bulk saves farmers on associated expenditures like processing, storage, transportation etc.
- FPOs may take up activities for value addition like sorting/grading, packaging, basic processing etc. which fetch a higher price for the farmers’ produce.

5. Strengthening of Agmark Grading Facilities

- The Agricultural Produce (Grading and Marking) Act, 1937 provides for the grading and marking of agricultural produce. It involves framing of grades, standards and certification of agricultural commodities included in the schedule appended to the Act.
- The SAGF Scheme aims to support 11 Regional Agmark laboratories and a Central Agmark Laboratory, Nagpur with lab equipments etc. for carrying out their research and analysis work for developing and promoting grading and standardization of agricultural commodities under Agmark.

Conclusion:

Agricultural marketing plays an important role not only in stimulating production and consumption, but in accelerating the pace of economic development. The agriculture marketing system plays a dual role in economic development in countries whose resources are primarily agricultural.

