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## PROBLEMS OF AGRICULTURAL MARKETING IN ASSAM: A TECHNICAL ANALYSIS

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**Abstract:-** Assam, being an agro-based economy needs a well organized market for its agricultural products. But since inception, the economy is suffering from proper marketing arrangements. Guwahati, being the gateway of the north eastern region, attracts the sellers from various places to sell their products. But due to improper marketing regulations, 'syndicate raj' has cropped up leading to artificial scarcity and artificial price rise. Farmers of Assam in the North East have remained under-privileged as far prices are concerned. The research paper tries to pinpoint the defects prevalent in the marketing system in Assam after comparing it with an ideal marketing model for agricultural products.

**Keywords:** Marketing system in agricultural products, Problems, Assam, Ideal model for agricultural marketing.

### AGRICULTURAL MARKETING: INTRODUCTION:

The concept agricultural marketing consists of two terms: 'agriculture' and 'marketing'. The word 'agriculture' denotes that it is associated with agriculture industry and its various products. The word 'marketing' denotes that the requirements of consumers must be understood and the agricultural products must be supplied accordingly so that the maximum satisfaction is achieved at minimum cost. Agricultural marketing covers services involved in moving and agricultural product from the farm to the consumer. Numerous inter-connected activities are involved in doing this, such as: planning production, growing and harvesting, grading, packaging, transporting, storage, agro-food processing, distribution, advertising and sale. The agricultural marketing system in Assam has great scope for development. Let us have an in dept study and try to find out the ways of development.

### OBJECTIVES OF THE STUDY:

- 1.To study what is agricultural marketing and the problems that are confronted in marketing of agricultural products in Assam.
- 2.To put forward an ideal model for agricultural marketing system and compare it with the agricultural marketing system in Assam.
- 3.To put forward recommendations for developing agricultural marketing system in Assam.

### METHODOLOGY OF THE STUDY:

The researchers have made the study on the basis of both primary and secondary data and information. The research is basically descriptive in nature in the form of a pilot survey. The sample units are farmers, traders, transporters, wholesalers, retailers and consumers. The information has been collected from them by observation and interview method. The sampling technique used is judgement sampling and the conclusion has been drawn on the basis of information sought from 6

farmers, 2 traders, 1 transporter, 5 wholesalers, 10 retailers and 10 consumers.

**LIMITATIONS OF THE STUDY:**

- 1) Sample size is small and sampling technique is non-probabilistic. Thus, it is subjected to biasness.
- 2) The conclusion is drawn from the 'words of mouth' of the various respondents and the cross-examination has not been done.

**Problems of agricultural marketing system in Assam:**

Agricultural marketing system has been growing at a slower pace in Assam since the time immemorial. The situation did not change much even after independence. The pace of development has not been able to be accelerated because of various problems that have been confronted consistently throughout the advancement of time. The various problems that have been observed has been noted and analyzed as follows:

**(i) Climate constraints and geographical barriers:**

The climate of Assam is not very favorable and feasible for industrial development. Flood, heavy rainfall, soil erosions etc has also been providing hindrances in the development of agricultural marketing. It has been known from the farmers that sometimes due to prolonged continuation of rainfall, they do not get the opportunity for disposing off their agricultural products in the market. Flood also repeatedly destroys the agricultural produces which not only destructs the goods but also deteriorates the farmers' motivation for farming again. The state has plots of lands isolated by rivers which when not bridged makes difficulties for farmers to trade profitably.

**(ii) Nature of market:**

After having the field survey and studying various other studies, it has been known that the agricultural marketing system is heterogeneous in Assam. This has provided obstacles also in implementing schemes of the government of India in the state of Assam. Numerous crops also increase complexity to the market.

**(iii) Transportation Problem:**

The main reason for variability of marketing system in Assam is transportation system. From field study, it has been known that the farmers transport their produces to the central market by push carts, bullock carts, tractors, auto vans etc. This increases the cost of production of the agricultural produces. Again, when the goods are taken to the central market they are sorted, graded, packed and loaded in trucks or mini-trucks for dispatching it in cities where it finds the ultimate consumers. It is to be noted that the larger is the vehicle for transportation, cheaper is the carrying charge. The transport problem is prevalent because of less number of connecting roads and bridges available for the purpose and poor transportation services.

**(iv) Legal problem:**

After studying various documents it has been found that there are numerous regulatory laws for marketing of agriculture. Those are Assam Agricultural produce Market Act, 1972, Panchayat Act, 1994 and Municipal Act, 1956. These acts are to be followed simultaneously and this creates confusion among various elements present in the supply chain management of vegetable industry.

**(v) Infrastructure:**

Agricultural products of Assam are serviced through more than 1100 weekly markets and a network of 75 primary wholesale markets. The agricultural trading mostly takes in organized markets. But the markets operate under the pressure in terms of infrastructure, service and facilities, innovations of new technologies etc. Those public sector organizations who operates the market, have little concern for developing the marketing system. Rather, they are engaged in collecting revenues from farmers and traders and control the market at their discretion. And hence, there is no much scope for innovation, expansion and development of agricultural marketing system in Assam.

There are 24 markets under the regulations of APMR Act which is much less than the requirements. It is to be noted that there are more districts than markets in Assam and hence it is quite painful for the farmers to transport their products to the congested markets for making a good deal.

**(vi) Poor information system:**

The information system of agricultural marketing in Assam is still pathetic. The prices of the goods are known by the farmers and traders by 'words of mouth'. There is no other means to know the price of the products. Sometimes, the farmers are deceived by misinformation. Uneven demand and supply due to geographical differences also creates differences of prices and later the farmers have to face the consequences. Although the concerned government departments are showing prices online, it seldom matches with the reality.

**(vii) Illegal trade associations:**

Syndicate Raj in Assam has been an inevitable issue since its inception. Syndicates are a form of cartels where an association has been allegedly making unethical income within a legal framework backed by law makers and law implementers. It started in 90's and has been continuing till date hampering the common people by increasing the prices of agricultural commodities. Many syndicate owners are now trying to legalize the trade forcing suppliers to supply goods in the name of the society or firm which they set up only for this purpose. Many a time, supplies are being made in the name of some societies without having any existence. It is also alleged that the police and administrative officials are also among the beneficiaries of such syndicates.

**(viii) Low farmer's share in total price:**

The farmers are cheaply paid. This has been continuing for decades and no any solution for it has been thought yet. From the survey, the researchers got to know that the farmers hardly get 50% of the total price that is paid by the ultimate consumers.

**(ix) Lack of education:**

It has been observed that the most of the petty farmers are under matriculate and illiterate. Thus, they fail to make a planning for their production and also fails to tap the meager amount of opportunities provided by the government like finance, information and other types of aid and support.

**(x) Product planning:**

Due to lack of education farmers are unaware about the suitable condition, scientific farming and societal marketing. This leads to faulty product planning which consequences to loss.

**Supply Chain Management of Agricultural Market in Assam:**

Supply chain Management is the process of planning, implementing and controlling the operations of the supply chain with the purpose to satisfy customer requirements as efficiently as possible. It is the process of moving the goods from the point of production to the point of consumption minimizing cost and maximizing the profit. There are many factors involved in the supply chain management. Flow is the foremost element the foundation of all aspects of the process. There are three main flows – product flow, information flow, and finance flow. After making the field survey, the researchers have analyzed the efficiency of supply chain management on the basis of elements in it. These are as follows:

**Farmer:**

Product flow and information flow is weak in case of farmers. However, the finance flow is satisfactory.

**Trader:**

Hence, the product flow and financial flow is efficient but information flow is weak.

**Wholesaler:**

Here, again product and finance flow is somewhat efficient but information flow is weak.

**Retailers:**

Here, finance flow and information flow is satisfactory but product flow is weak.

Thus, in Assam, we get to observe that the most of the agricultural products produced and traded are transported to Guwahati, it passes through the number of hands, adding cost upon cost and finally leading to price rise. It is to be noted that a large number of people has found employment in this segment. However, due to lengthy supply chain management the farmers share remain low, consumers price remain and numerous unethical trade associations get scope for collections from within it.

**Ideal model for agricultural marketing:**

If we want to meet our need and wants with available resource, we need to have a proper management system. With proper management system, needs and wants can be fulfilled effectively and efficiently with the limited available resources. Similar is the case in marketing system. The system should be clear-cut, well planned and well directed. In order to make best marketing of agricultural products, we need to have a scientific marketing model – a new generation marketing system. So, the basic characteristics of an ideal agricultural marketing system shall be as follows:

**i) Proper Infrastructure:**

The agricultural marketing system shall have proper marketing infrastructure. Infrastructure, here, does not only mean proper place for agricultural marketing but a holistic environment where along with selling, product planning, scientific suitability of crops, handling stocks, farmers education etc shall take place. There shall be one planning, one objective and one goal. Co-operative societies should be formed so that farmers cultivate collectively and enjoy the economics of large scale production.

**ii) Marketing information system:**

The information network must be strong enough. It is often said that information is money. The farmers, traders and consumers shall have access to the prices of the products at their various stages in supply chain management. Transparency is an essence here.

**iii) Simplicity of legislation:**

Basically there must be a single law guiding the agricultural marketing. If there is no unity of direction in operating agricultural marketing by the government, then there will be confusion among the farmers, traders and even consumers.

**iv) Shorter supply chain:**

In case of perishable goods, it is often preferable to have shorter supply chain. Shorter will be the supply chain, cheaper will be the price and greater freshness. Thus, the most preferred supply chain in case of agricultural marketing is considered as: Production – consolidated centre – consumption.

**v) Micro-finance:**

Farmers have always been deceived by the money lenders. Hence, there has been a realization that the poor farmers shall be provided with micro credit facilities. Government has declared various schemes in recent years and NABARD has also been struggling for providing aid in terms of financial inclusion of rural areas. There are the part and parcel facilities for development of agricultural marketing system.

**vi) Promotion of food processing industries:**

The agricultural marketing will be proper only when it will derive maximum satisfaction and minimum losses. The best way to curtail the losses and add value to agricultural product is food processing. Food processing unit should be promoted so that the various agricultural products can be saved, traded and exported.

**RECOMMENDATIONS:**

- 1.Climatic constraints are constant. But the geographical barriers can be immunized by proper road and transportation system and application of logistics.
- 2.The agricultural markets shall be developed in terms of infrastructure, law and management. There shall be innovations in the agricultural markets. The organizers must wider their operation from revenue collection to local agricultural planning. There are 24 markets under the regulations of APMR Act which is much less than the requirements and also standards. The number must be increased by atleast three times and the remote areas must be included.
- 3.Legal system must be simplified. It is recommendable to have one law in the entire agricultural marketing environment. Simplification of laws will minimize confusions, chaos, cropping of unethical associations in the agriculture markets.
- 4.Farmers' education and financial inclusion has become necessary and hence NABARD shall up in their services.

**CONCLUSION:**

In order to have a proper agricultural marketing in Assam, it is necessary to start right from the day of planning for sowing the crops. Proper product planning, proper demand forecasting, proper co-operation, proper supply chain, proper infrastructure and information, proper finance and proper transportation can only give us proper agricultural marketing environment which will be free from all faults and errors and control inflation.

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