

## **Direct Selling of Agriculture Products from Farmer to Customer**

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### **ABSTRACT**

*Agricultural marketing includes all activities which add value to agricultural products as they move from areas of agricultural production to ultimate consumption points. An effective and efficient marketing system is required in order to ensure fair returns to stakeholders but unfortunately little attention was paid to this sector in Pakistan. This resulted in welfare risk to stakeholders as price variation and value are common phenomena in the country. Public and private sectors jointly run agricultural marketing system in the country, as public sector is responsible for framing and implementing rules and regulation whereas private sector operates the system. Agricultural markets are governed under the Agricultural Produce Markets Ordinance 1978 which needs to be updated. Due to poor post-harvest management practices, almost 25-40% produce is wasted which caused considerable value losses. In this chapter, an effort has been made to describe theoretical foundation of agricultural marketing along with highlighting the marketing system of major and minor agricultural commodities in Pakistan and the role of various institutions and regulations. Marketing efficiency is often understood in terms of marketing margins, physical losses and state of market competition. These indicators are also discussed in this chapter. Further, a section is devoted to identify major agricultural marketing problems with their possible solutions.*

**KEYWORDS:** *Agriculture, economy, financial, instrument, farmer*

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### **I. Introduction**

Farming part assumes a significant job for the endurance of the provincial individuals. The significance of agribusiness in the socio-economic texture of India can be acknowledged from the way that the occupation of dominant part of the nation's populace relies upon farming. The horticulture area contributes just around 18 percent of the allout Gross Domestic Product (GDP). The 2011 Census estimates that 83.3 crore individuals, around 69 percent of the nation's all out populace of 121 crore, keep on living in rustic India. Bringing about low per capita pay in the ranch area. Thus, there is a huge uniqueness between the per capita pay in the homestead segment and the non-ranch area. Hence, it is basic to manage those issues which sway the pay levels of ranchers. The pay levels are controlled by the general creation, upheld by sensible degrees of yield and costs acknowledged by the ranchers. A few limitations, for example, dominance of little and negligible property representing around 82 percent of all out possessions, flawed economic situations and absence of in reverse and forward linkages influence the salary levels of ranchers unfavorably. Appropriately the pay levels are dictated by the general creation, upheld by sensible degrees of yield and costs acknowledged by the ranchers.

Agribusiness is the science and practice of exercises identifying with creation, preparing, promoting, dispersion, use, and exchange of nourishment, feed and fiber. This definition suggests that agricultural improvement procedure must address ranchers as well as those in advertising, exchange, handling, and agribusiness. Farming, in the broadest sense implies exercises focused on the utilization of characteristic assets for human government assistance, and advertising means a progression of exercises engaged with moving the merchandise from the purpose of creation to the point of utilization.

Showcasing framework is the basic connection between ranch creation segment from one perspective and nonfarm division, industry, and urban economy on the other. Other than the physical and encouraging elements of moving the merchandise from makers to customers, the advertising framework additionally plays out the capacity of finding the costs at various phases of showcasing and transmitting the value flags in the promoting chain. The issues and worries in showcasing relate for the most part to the exhibition (productivity) of the promoting framework, which relies upon the structure and lead of the market. Advertising frameworks are dynamic; they are serious and include persistent change and improvement. Advertising must be client situated and needs to give the rancher, transporter, merchant, processor, and so on with a benefit. This requires those engaged with advertising chains to comprehend purchaser necessities, both as far as item and business conditions.

Vegetables delivered in India are showcased for the most part either through controlled APMC markets or absolutely unregulated neighborhood and vegetable markets. Advertising through these conventional channels is described by next to no thoughtfulness regarding reviewing, arranging and capacity with feeble guideline, poor dealing with during stacking, emptying and transport bringing about loss of 30-40 percent of the all-out creation. Supply chains for leafy foods will in general be multi-layered, which has suggestions on the ranchers' offer in the last customer cost and the nature of produce because of different taking care of. As opposed to divided stock chains in conventional market, supply chains created by sorted out retail binds should be all around facilitated.

### **Meaning of "Agricultural Marketing"**

**The National Commission on Agriculture** characterized "agricultural promoting as a procedure which begins with a choice to create a saleable homestead product and it includes all parts of market structure of framework, both practical and institutional, in view of specialized and economic contemplations and incorporates pre and post-reap activities, gathering, evaluating, capacity, transportation and appropriation.

"The Indian board of Agricultural Research characterized contribution of three significant capacities, to be specific

- a. Collecting (focus)
- b. Groundwork for utilization (handling)
- c. Dispersion.

Agricultural showcasing includes in its least complex structure the purchasing and selling of agricultural produce. In modern promoting, agricultural produce needs to experience a progression of moves or trades starting with one hand then onto the next before it at last arrives at the shopper. Agricultural showcasing covers the administrations associated with moving an agricultural item from the ranch to the purchaser.

### **OBJECTIVE OF THE STUDY**

1. To study functions of market committee.
2. To study regulated agriculture market

The controlled markets are viewed as responsible organizations in releasing all the capacities related with the offer of yields, keeping in see the general enthusiasm of the cultivating network and a definitive buyer. These organizations are intended to control dishonest exchanging rehearses followed in the showcasing of agricultural produce. This would help in ensuring the enthusiasm of both the makers and purchasers, consequently it contributes towards the development of methodical promoting and value steadiness through viable rivalry.

### **FUNCTIONS OF MARKET COMMITTEE**

1. The complete administration of the market rests with the 'Market Committee'.
2. The Committee issues licenses to the commission specialists, weightmen, and different functionaries.
3. The pace of Commission to be charged is fixed by the Committee.
4. Weightment is done appropriately by the gauge men selected by the Committee.

There is a mediation Sub-Committee to investigate the complaints of the ranchers. Appearance of directed markets has helped in relieving the market impediment of makers/merchants at the discount gathering level. With the foundation of controlled markets, numerous fake acts of the dealers are watched and defeated in the unregulated markets and the ranchers get sensible cost for their produce. Not just this, comforts like rest house, place for leaving of vehicles, cold-stockpiles, and so forth are likewise made in the market yards to assist the ranchers. Right now, Policy is to have quick development of the directed markets in the nation.

### **REGULATED AGRICULTURE MARKET**

Indian economy depends on agribusiness. Roughly 70% of individuals are reliant on farming for their essential salary. Indian farming is subject to rain and Indian economy is reliant on horticulture. That is primary explanation, why advertising of agribusiness products is reliant on request and supply conditions. Prior the ranchers were stressed over the deals of their produce and because of low quality they couldn't get a decent cost. The produce had numerous deformities and the regal commission in 1928 examined this. There were insufficient showcasing exercises carried on by the ranchers. So the regal commission proposed initiating with the directed markets and in like manner different market panels were fused. The three essential elements of this board of trustees were-

1. To satisfy the need of the expansion in populace and modern progression.
2. To increment the nature of agribusiness, produce,
3. To bring a fitting cost for the ranchers.

## **II. Review Of Literature**

An investigation directed by Kezis et al. (2012) on customers at a little ranchers' market in Maine shows that the quantity of more seasoned, high salary, high taught is expanding. Since these purchasers are bound to be pulled in to ranchers showcase, the fame of this arrangement apparently is expanding. Onianwa et al., (2015) examined the determinants of Farmer-to-Consumer direct-showcase customers and gave bits of knowledge into the variables that influence shopping at a rancher to-buyer direct market. The examination uncovered that instruction was the most critical variable as to shopping at rancher to-customer direct markets while salary was a less huge factor. Shoppers with instruction above secondary school were bound to shop at a rancher to-purchaser direct market. Nonetheless, the investigation additionally uncovered that as salary builds, families with youngsters were bound to shop at a rancher to-shopper direct market than were families without kids. Further, more established individuals, guys, and whites were all bound to shop at a rancher to-purchaser direct market.

The investigation on embeddedness by Feagan and Morris (2009) accentuated that embeddedness demonstrates helpful for encircling non-economic qualities looked for by purchasers. The examination inferred that estimations of social embeddedness that is social cooperation, information on merchants, and so forth and spatial embeddedness that is nourishment freshness, supporting the 'nearby', develop as center arrangements of customer inspirations while normal embeddedness values like natural creation are less emphatically held. Wolf (1997) for a situation study analyzed reactions of purchasers with the target of contrasting the profile of ranchers' market customers to the individuals who don't shop at ranchers' business sectors. Assessment of the segment profile of shoppers of ranchers' market demonstrate that they are bound to be female, hitched, and have finished post graduate work. There was no distinction seen as for age, pay levels, and work status between ranchers' market customers and ranchers' market non-customers. Customers have shown that quality and worth are among the most significant traits when buying produce. The contextual analysis further inferred that buyers see ranchers' market produce to be fresher looking, fresher tasting, more excellent, all the more sensibly estimated and accordingly better an incentive for the cash, bound to be developed in their nation, bound to be privately developed, bound to be useful for the earth, and bound to be recognizable to the processor and cultivator when contrasted with grocery store produce. The significant purpose behind not shopping at ranchers' business sectors is a result of absence of comfort.

Henneberry and Haerani (2014) inspected buyer inclinations among different promoting charnels (counting direct advertising) with the goal of breaking down the effect of different segment factors on buying decision, with a particular spotlight on the connections between segment factors and shopping inclinations. The investigation recognized customer attributes that impact produce request and subsequently cultivators' arrival at Oklahoma ranchers' market. Govindasamy and Nayga, Jr. (2012) contemplated the qualities of rancher to-buyer direct market clients with the goal of finding different attributes of rancher to-shopper direct market buyers. They reasoned that the normal number of visits every month to an immediate promoting office was somewhere in the range of one and two and the normal dollar sum spent per visit at direct advertising offices went from \$ 11 to \$19. The examination further inferred that immediate showcasing offices gave better nature of produce when contrasted with the grocery stores.

Otto and Vamer (2102) attempted an investigation with the target of evaluating the market cooperation and the effect it had on the economic front. The technique embraced depended on study of an enormous number of shoppers (4500) and sellers (780). The discoveries with respect to shopper and merchant qualities uncover open doors for expanded promoting toward specific members. Proof from the examination proposed that focusing of urban purchasers and members moving toward retirement age, too the advancement of new techniques to pull in more youthful buyers and the individuals who have little involvement in ranchers' business sectors will positively affect the market interest. The investigation likewise demonstrated that these business sectors are a significant spot for rustic makers and urban customers to meet up to trade merchandise and data.

Vamer and Otto (2014) utilized a total buyer request investigation structure with the goal of assessing the exhibition of ranchers' business sectors in Iowa. Deals per merchant and deals per capita from an example of 109 Iowa ranchers' business sectors were assessed against attributes of the network, the district and the market. The investigation inferred that ranchers' business sectors are generally low maintenance exercises giving just supplemental pay to the makers working at the market. The investigation further reasoned that progressively urban qualities had all the earmarks of being related with Iowa ranchers' business sectors accomplishing higher deals per merchant or per capita. Different variables adding to the general accomplishment of these business sectors were the size of populace in the market area and furthermore the good ways from other contending markets. Further, per capita salary of inhabitants in the network facilitating the market had a huge and beneficial outcome on per merchant deals also. In any case, the finish of the investigation is not the same as comparable examination attempted by Govindasamy and Nayga (1994). The impact of instruction, estimated by level of occupants in the networks with number of postsecondary preparing and the quantity of years the market had been in presence, was not seen as a noteworthy factor in the model.

Magingxa et al. (2019) considered the variables affecting access to create markets for smallholder irrigators in South Africa and attempted to decide the elements impacting access to deliver markets for South African smallholder irrigators. Market get to was estimated by whether the entirety of the produce that was intended to be sold the past season was sold or not. The study put together investigation was finished with respect to six smallholder water system plots in three regions. They reasoned that physical access to the market, rancher abilities and nature of access are exceptionally noteworthy factors in impacting market access for these smallholders. Trobe (2001) considered the potential advantages of showcasing nourishment straightforwardly from makers to customers, and consequently going around the 'go betweens' in the nourishment store network. This subjective examination reasoned that advantages have been accumulated by the two ranchers and customers. Buyers get privately developed, new, solid and, as a rule, natural nourishment at moderate costs, while makers get more estimation of their produce. The investigation likewise took a gander at the ecological advantages. Ranchers' business sectors diminish the separation that nourishment goes among makers and shoppers, which thusly would help decline worldwide natural contamination. The approach was overview based.

Govindasamy et al. (2015) took a gander at the resurgence of ranchers' business sectors in New Jersey which had been invited by ranchers, buyers and municipalities. It permitted ranchers to catch a more prominent portion of the buyers' nourishment consumption in this way expanding their productivity, while the customers' requirement for crisp, top notch items just as for ranch based recreational encounters is met. With the clients visiting the midtown territories business of nearby retailers can get a lift. The review-based investigation was attempted with the goal of finding the proficiency of the ranchers' business sectors regarding the board and association, giving an outline of different attributes of chiefs, and recognizing factors that affect the association and well-working of these business sectors. It was inferred that greater part of the supervisors overseeing the market's activities during selling hours have no cultivating encounter and have been filling in as administrators for under 2 years. Likewise, the greater part of the business sectors was situated in rural zones yet close enough to urban regions to empower them to serve the two populaces. It reasoned that while choosing the business sectors' locales factors influencing decision were perceivability, adequate stopping, simple availability and traffic stream, accessible space for ranchers' stands, closeness to downtown territories, number of potential clients, wellbeing and utilization of open land for protection and budgetary purposes. The bits of knowledge gave by this exploration help to distinguish the characteristics expected to effectively deal with a ranchers' market just as the requirements influencing these business sectors so their effectiveness could be improved.

Dark colored (2012) investigated all the examination done on ranchers' business sectors in the period from 1940 to 2000 and found the gigantic increment in the quantity of ranchers' business sectors in the United States after the entry of the Farmer-to-Consumer Direct Marketing Act of 1976. This article inventories the writing since the Second World War on retail ranchers' business sectors and direct promoting in North America. This investigation inferred that the writing on ranchers' business sectors is inadequate and has plentiful space for new and energizing investigations. The investigation additionally dug into the economic effect of the ranchers' business sectors. Sommer et al. (1980) embraced an investigation with the goal of discovering reasons which rouse Californians to shop at ranchers' business sectors. The examination likewise followed the excursion of ranchers' business sectors in USA throughout the decades and how the American open market arrived at its top in the 19<sup>th</sup> century and declined quickly after that with the development of urban areas and rural areas, improved nourishment transportation, and expanded prevalence of chain stores. The development was helped in 1977 when the California State Department of Food and Agriculture passed guidelines allowing the foundation of confirmed ranchers' business sectors, facilitating the institutionalization necessities on direct-promoting cultivators, and guaranteeing that the individual selling was the real producer or a family member or representative of the producer. One of the significant discoveries was the way that clients shop at these ensured ranchers' business sectors primarily due to the new produce, value reserve funds, preferring of social air and helping the little rancher.

### **III. Research Methodology**

The investigation is for the most part dependent on essential information. Be that as it may, the important auxiliary information has likewise been utilized. The optional information has been gathered from different sources like newspapers, magazines, journals, books, sites of measurable digests, Reserve Bank of India, Ministry of Agriculture, Agricultural measurements initially, Directorate of Economics and Statistics, Government distributions, expert and academic journals, unmistakable sites managing farming and insights and from different institutional libraries. The essential information as respondents' opinion has been gathered from the farmers in Bhagalpur, Bihar Sharif, Chhapra, Danapur and Jamalpur. The goals of the examination were remembered while confining the survey utilizing open finished and five point Likert's Scale (running from Agree (Strongly Agree and Agree), Neutral and (Disagree and Strongly Disagree) as parameters).

#### **IV. Data Analysis**

Agricultural marketing knowledge is crucial to enable farmers in making informed decisions about what to grow, to which markets produce should be sent, and whether to store it or not. Farmers get benefit from contract farming, direct marketing, group marketing, commodity futures markets, electronic spot markets, online marketing, etc only to the extent they organize in marketing groups, self-help groups, cooperatives or companies and learn skills suited to the new marketing environment. Understanding quality standards, learning the terms of contract, and choosing and preparing the produce for the market are going to be essential skills for farmers. Farmers required to be exposed to the characteristics and complexities of the marketing system to make it more efficient and improve commodity trading prospects to increase the profitability. Keeping this in mind, the researcher carried out the survey in the five districts of north Karnataka on level of awareness of farmers, problems faced by the farmers on different aspects of agricultural marketing and at the same time making farmers aware about the latest developments in agricultural marketing.

For this purpose 500 farmers were interviewed on awareness of different aspects and issues such as reforms in agricultural marketing, post-harvest marketing and leakages of agricultural produce, agricultural marketing channels, accessibility and usage of market information, improved marketing practices of agricultural produce, etc.

#### **V. Conclusion**

The agricultural marketing plays a vital role in easy way agro produce distribution to the customers. Like all the marketing activities, it also aims in profit making. It helps the farmers to reach their customers within very short lead time. In order to avoid isolation of small-scale farmers from the benefits of agricultural produce they need to be integrated and informed with the market knowledge like fluctuations, demand and supply concepts which are the core of economy. The agricultural sector is of vital importance for the region. It is undergoing a process of transition to a market economy, with substantial changes in the social, legal, structural, productive and supply set-ups, as is the case with all other sectors of the economy. These changes have been accompanied by a decline in agricultural production for most countries, and have affected also the national seed supply sectors of the region. The region has had to face problems of food insecurity and some countries have needed food aid for IDPs and refugees.

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