

**The New Challenges of Agricultural Marketing in Rural India with Special Reference to Thanjavur District (Swot Analysis)**

**\*Dr.P.Vijaya Banu**

\*Assistant Professor of Management Studies, Idhaya College for Women, Kumbakonam.

**Abstract**

Agricultural sector development is critical for facing the challenges of poverty, food security and unemployment in the developing countries like India. Along with increase in production and productivity agricultural marketing should be properly addressed in strengthening agricultural sector. Marketing and institutional credit no doubt has a significant role and this role has further increased in the liberalized environment. The present paper focuses new challenges in agricultural marketing in the emerging environment. A micro level survey in the agricultural marketing sector reveals that the urgent need is a move which has very significant implications in economic development of agricultural economy of India. Permitting significant investment in agricultural retailing is likely to ensure adequate flow of capital into rural economy in a manner likely to promote the welfare of all sections of society, particularly farmers and consumers. It will bring about improvements in farmer income and agricultural growth and assist in lowering consumer marketing their produce with at least a reasonable margin which the Government till date has failed to provide. Statement of the problem, paddy is a one of the popular in India. Especially Tamilnadu leading in Paddy cultivators. So the researcher has taken this topic. The study helps to know various marketing variables such as price and features. This study will help to gain knowledge about the marketing problems faced by the Paddy growers. This study also evaluates the socio-economic condition of respondents and their potential marketing attitudes. The main objective of the study. To study the production practices and problems of Paddy growers in Thanjavur District. To analyse various problems associated with the maintenance of Paddy plants. To identify the marketing practices and problems of Paddy growers and marketing efficiency of distribution channels. To analyse market arrivals, price behaviour and market integration of Paddy. Scope of the Study. This study is limited to marketing aspects of Paddy only located in Thanjavur District, Tamilnadu, India.

**Key Words**

Agricultural Marketing in India, Present Scenario, Agricultural Marketing in Thanjavur District and SWOT.

**Full Paper**

In India, the organised marketing of agricultural commodities has been promoted through a network of regulated markets. Most state governments and UT administrations have enacted legislations to provide for the regulation of agricultural produce markets. While by the end of 1950, there were 286 regulated markets in the country, their number as on 31 March 2006 stood at 7566. In addition, India has 21780 rural periodical markets, about 15 per cent of which function under the ambit of regulation. The advent of regulated markets has helped in mitigating the market handicaps of producers/sellers at the wholesale assembling level. But the rural periodic markets in general and the tribal markets in particular, remained out of its developmental ambit.

**Present Constraints in the System**

The purpose of state regulation of agricultural markets was to protect farmers from the exploitation of intermediaries and traders and also to ensure better prices and timely payment for their produce. Over a period of time, these markets have, however,, acquired the status of restrictive and monopolistic markets, providing no help in direct and free marketing, organised retailing and smooth raw material supplies to agro-industries. Exporters, processors and retail chain operators cannot procure directly from the farmers as the produce is required to be channelised through regulated markets and licensed traders. There is, in the process, an enormous increase in the cost of marketing and farmers end up getting a low price for their produce. Monopolistic practices and modalities of the state-controlled markets have prevented private investment in the sector. Post-

harvest losses are estimated to be of the order of 5-7 per cent in food grains and 25-30 per cent in the case of fruits and vegetables.

### **Need for Reforms**

The agriculture sector needs well-functioning markets to drive growth, employment and economic prosperity in rural areas of India. In order to provide dynamism and efficiency into the marketing system, large investments are required for the development of post-harvest and cold-chain infrastructure nearer to the farmers' field. A major portion of this investment is expected from the private sector, for which an appropriate regulatory and policy environment is necessary. Also, enabling policies need to be put in place to encourage the procurement of agricultural commodities directly from farmers' fields and to establish effective linkage between the farm production and the retail chain and food processing industries. Accordingly, the state governments were requested to suitably amend their respective APMC Acts for deregulation of the marketing system in India, to promote investment in marketing infrastructure, thereby motivating the corporate sector to undertake direct marketing and to facilitate a national integrated market.

The Department of Agriculture and Cooperation also formulated a model law on agricultural marketing for guidance and adoption by the state governments. The model legislation provides for the establishment of private markets/yards, direct purchase centres, consumer/farmers' markets for direct sale and promotion of Public-Private Partnership (PPP) in the management and development of agricultural markets in India. Provision has also been made in the Act for constitution of State Agricultural Produce Marketing Standards Bureau for the promotion of grading, standardisation and quality certification of agricultural produce. This would facilitate pledge financing, direct purchasing, forward/future trading and exports. Several state governments have initiated steps for amending their respective APMC Acts.

### **Present Scenario in Agricultural Marketing**

Agricultural marketing is the critical link between agricultural production and farm sector revenue percolating to the farmers. Apart from performing transferring agricultural goods to consumers it transmits the price signals in the marketing chain. Agricultural development not only should address growth of yield rate and production but also address an efficient marketing system. The existing marketing system consists four channels viz., direct marketing from producers to consumers, marketing through public agencies or cooperatives, through private whole-sellers and then retailers and finally to consumers, or from producers to processors and from processors to consumers. Transactions of goods take place in market yards and sub-yards and periodic markets like haats or mandis. Agricultural markets are highly fragmented and unorganized. Direct link between farmers or producers and consumers is almost absent Due to increased number of intermediaries the market chain is long (Acharya, 2004). To eliminate intermediaries and encourage direct marketing several farmer's markets like Apni Mandi (Punjab), Kishan Mandi (Rajasthan), Krishak Bazaar (Orissa), Rythu Bazaar (Andhra Pradesh) have been set up in several sets, but these are not sufficient to meet up the requirement. The marketable surplus has increased manifold and farmers are now largely market oriented. The overall marketable surplus to output ratio has increased from 33.1% in 1950-51 to 64.1% in 1999-2000 (Acharya, 2004). Given the various changes like virtual collapse of rural credit in organized sector, especially for small and marginal farmers, continuous increase of input cost and stagnant crop price, profit potential of agricultural sector has declined substantially. Farmers are still kept on tenterhook, not knowing how to manage their economy, except to play it by years (Gupta, 2005). If production is good then there is glut and prices fall. When there is crop failure farmers hardly get any compensation in terms of higher price. Both demand and supply of agricultural products are inelastic in nature. Profitability in paddy cultivation gradually came down to only 13% in 2007 and has further come down to 10% in 2011 as per the report of the commission for Agricultural Costs and Prices (Choudhury S, 2011).

An efficient marketing system enables producers to get the best possible revenue by reducing gap between the price earned by actual producer and price paid by the ultimate consumer. Direct linkage always gives higher returns to the producer and the consumers

are also benefited as they get the goods at reasonable price far less than the price paid through other channels either through different groups of intermediaries. Farmers are mostly distress sellers. Being unable to store their products they are forced to sell their products at low price to the middlemen after the harvest and cannot even cover the production cost. Due to lack of proper storage facilities, adequate and cheap transport facilities, organized and regulated retail market, correct information about the product price and market conditions, Indian system of agricultural market does not operate efficiently and farmers do not get fair price for their crops.

### **A Overview of Thanjavur District**

Thanjavur being the foremost district of the cauvery delta occupies an important position in the agricultural map of Tamil Nadu state. Since its formation, the district is called as the rice bowl of Tamil Nadu. It was bifurcated and a new district named Nagapattinam was formed during 1993. Nagapattinam district was again bifurcated into Nagapattinam and Thiruvarur districts during 1997. Thus, the erstwhile district of Thanjavur had been trifurcated into Thanjavur, Nagapattinam and Thiruvarur districts.

Thanjavur district stands unique from time immemorial for its agricultural activities and is rightly acclaimed as the Granary of the South India lying in the deltaic region of the famous river Cauvery and criss-crossed by lengthy network of irrigation canals. This coastal district abounds in green paddy fields, tall coconut groves, vast gardens of mango and plantain trees and other verdant vegetation. Various testimonials available in the ancient Tamil literature referring to the Cauvery as possessing the sanctity of the Ganges in conformity with the legendry and mythological stories attributed to its divine origin, rightly point out why the river is popularly called the 'Mother Cauvery' and its sacredness is evident from 'Kaviri-Thala-Puranam'. The river has also been named as 'Ponni' because it is yielding 'pon' -Gold in the form of paddy. That is why it is said with pride that every iota of the earth of Thanjavur is equal to an iota of gold. The tillers in Tamil literature have been rightly called as 'Kauvirippudhalvars', the sons of the Cauvery, as they alone are worthy of this title for the rich production of golden grains in this fertile soil.

It is no wonder therefore that at the very threshold of the district itself, one can feel the distinguished green vegetation and call Thanjavur as "the green mansion", of the South. With the river Cauvery irrigating the district, the cropping pattern followed was Paddy-Paddy-Rice fallow pulses/cotton/gingelly. The economy of the district is, therefore, primarily agrarian in nature with very few industrial units.

Thanjavur is one of the thirteen coastal districts of Tamil Nadu in the production of marine fish which accounts for about 5 per cent of the total marine fish catch in the State. The district is famous for its exquisite ancient handicrafts-making of bronze icons, Thanjavur art plates, bell-metal castings, bowls, and napkin and powder boxes of metal with beautiful and artistic in-laying and engraving work of motifs well known as "Tanjore swami work". It is equally well-known for pith-work, ornamental fans, mats and making of musical instruments out of jackwood. It is also a flourishing center of handloom silk and cotton sarees.

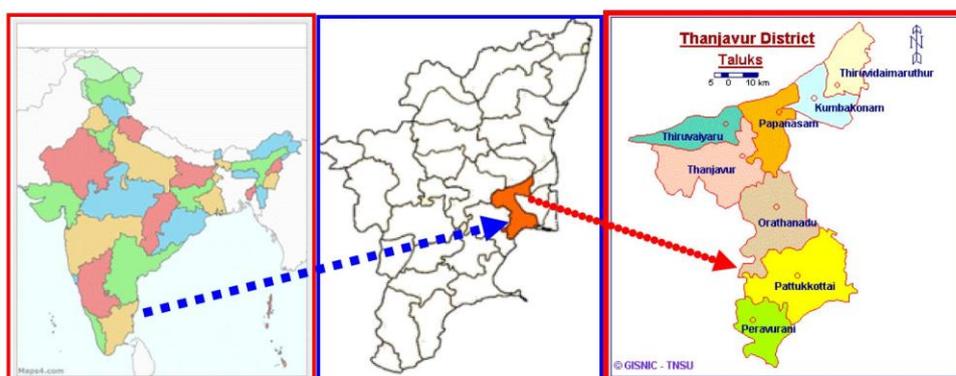
Thanjavur attained prominence under the Chola rulers who were paramount in South India during 9th to 12th centuries. They were not only excellent rulers but also mighty builders, who erected a large number of exquisite temples in their empire, some of which constitute the finest specimens of architecture. Hence the district stands distinguished in the state even in its large number of temples, whose legends extend deep into early historic times. Many of these temples reflect the power, genius and architectural grandeurs of their authors displaying the unique and magnificent proficiency in sculpture, painting and wood carving. Art gallery the great Saraswathi Mahal library, the 'Sangeetha Mahal' (hall of music), the thriving of classical music and dance known as 'Bharathanatyam' and the celebration of grand annual music festival at Thiruvaiyaru, in honour of the great Saint Thiagaraja, all bear testimony to the cultural heritage.

The district can be divided into two distinct regions viz., the deltaic region, the upland area or non-deltaic region. The deltaic region covers the whole northern and eastern portions of the district where the Cauvery with its wide network of branches irrigate more

than half of the district. It comprises the whole of Kumbakonam taluk and parts of Thanjavur, Papanasam taluks. The rest of the southern and western areas of the district are non-deltaic or upland region. A good portion of upland regions which was dry has now been brought under irrigation with the help of Grand Anaicut canal, fed by the Cauvery-Mettur Project and by extension of the Vadavar river. Non-deltaic region is also devoid of hills and slopes gradually seawards.

Thanjavur is the home to famous Brihadeeswara Temple, one of UNESCO World Heritage Sites. Thanjavur is famous for the Brihadishwara Temple (or Brihadeeswara temple) built by Raja Raja Cholan during the 11th century. The Brihadishwara Temple, also known as the Big Temple, is one of UNESCO World Heritage Sites. The temple is enclosed in two courts, surmounted by a lofty tower and including the exquisitely decorated shrine of Murugan. Among the other historic buildings is the Vijayanagara fort, which contains a palace that was expanded by the Maratha king Serfoji II with an armoury, a Bell Tower and the Saraswathi Mahal Library, which contains over 30,000 Indian and European manuscripts written on palm leaf and paper. Also built by Serfoji II is the Manora Fort, a monumental tower, situated about 65 km away from Thanjavur.

Thanjavur District lies in the East Coast of Tamil Nadu. It is located between 9050' and 11025' of the northern latitude and 78045' and 700 25' of the Eastern longitude. The District is bounded on the north-west by the Coloroon River which demarcates itself from Tiruchirapalli, Perambalur and Cuddalore districts, and on the north and east it is bounded by Nagapattinam and the Thiruvavur districts, and on the South by the Palk Strait and Pudukottai district and on the West by Pudukkottai and Thiruchirappalli districts. The district has its headquarters at Thanjavur which was once upon a time, the kingdom capital of Raja Raja Cholan.

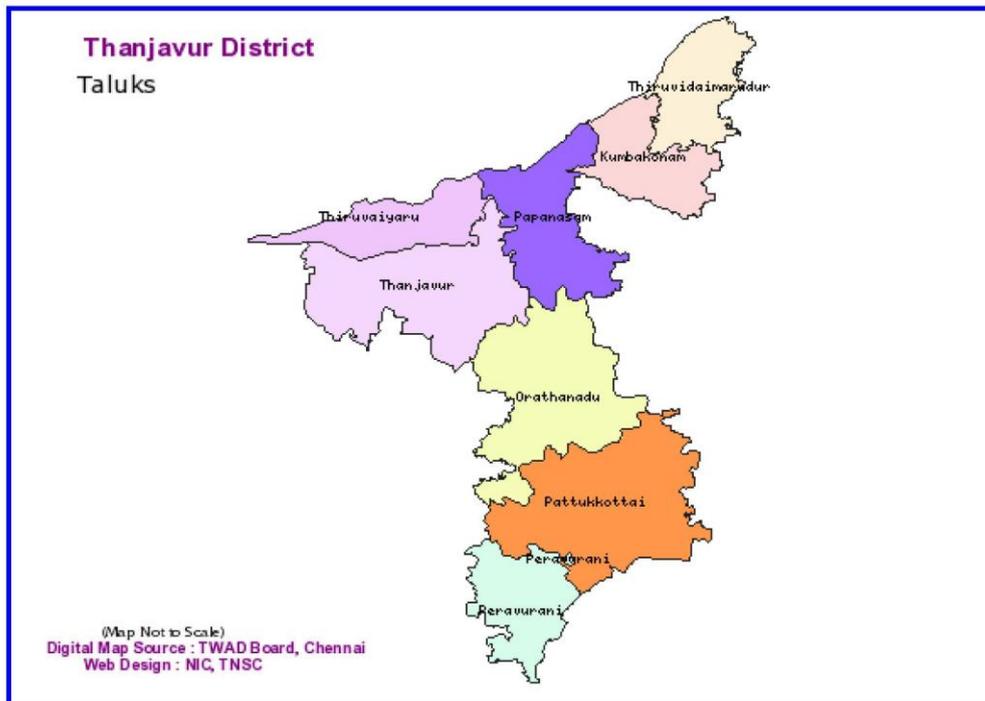


Map Showing the Position of Thanjavur District in the National Map

### Administrative Divisions

The district consists of the following administrative units.

Revenue divisions	:	3
Taluks	:	8
Blocks	:	14
Revenue villages	:	906
Village Panchayat	:	589

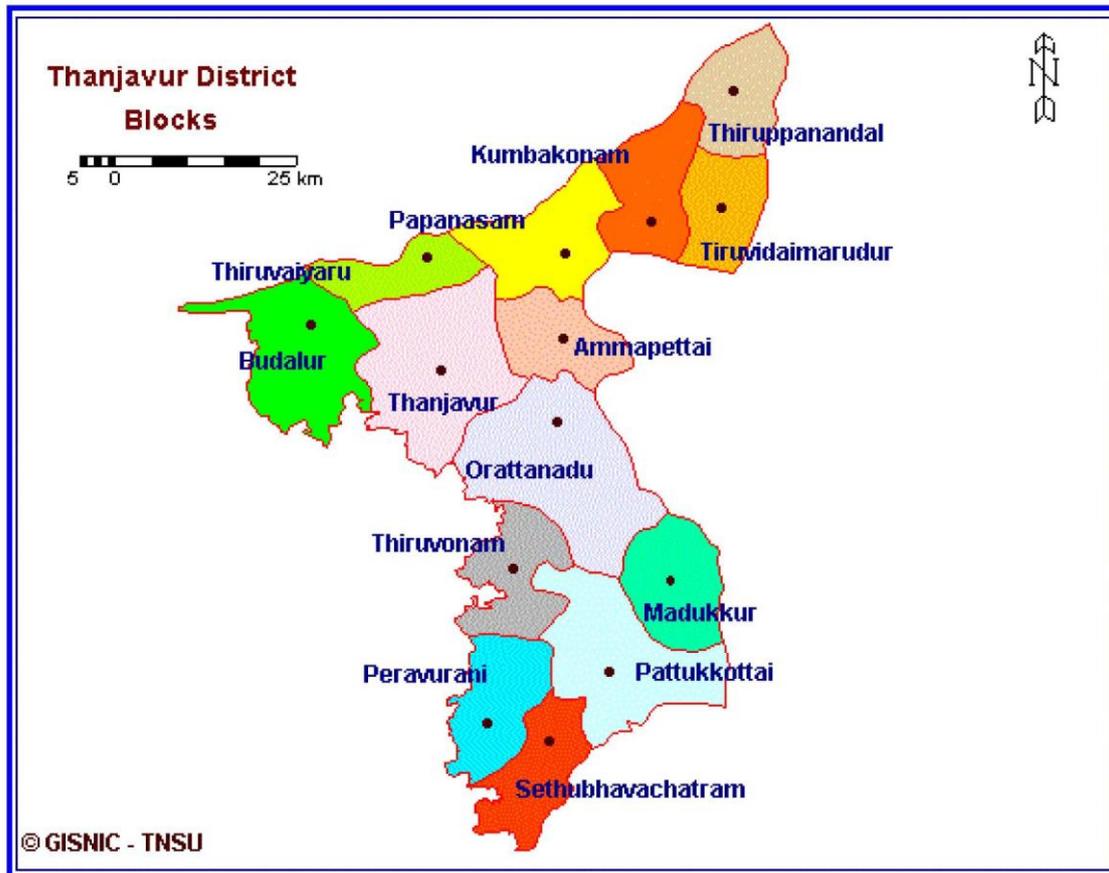


Map showing the Taluks in Thanjavur District

The district includes eight taluks namely;

1. Kumbakonam,
2. Orathanadu,
3. Papanasam,
4. Pattukkottai,
5. Peravurani,
6. Thanjavur,
7. Thiruvaiyaru and
8. Thiruvaidaimarudur.

Further, the district has been sub-divided into 14 community development blocks namely



Map showing the blocks in the district

1. Ammapettai,
2. Kumbakonam,
3. Orathanadu,
4. Pattukkottai,
5. Sethubhavachatram,
6. Thiruppanandal
7. Thiruvonam
8. Budalur
9. Madukkur
10. Papanasam
11. Peravurani
12. Thanjavur
13. Thiruvaiyaru,
14. Tiruvidaimarudur

### Main points of SWOT of the District

#### Strengths

- ✓ The farmers in the district are very progressive and innovative in adopting modern technologies and crop varieties.
- ✓ The district is one of the leading districts in the state in terms of production of many crops such as paddy, sugarcane, pulses and coconut.

✓ Presence of Tamil Nadu Rice research Institute, Livestock Research Station and Paddy Processing Research Center

✓ In view of high level of urbanization with about 34 per cent of the total population in the district living in urban areas, the district has a good local market for its agricultural commodities especially fruits and vegetables.

### **Weaknesses**

✓ Irrigation needs fulfilled by River Cauvery, which is a centre of long standing dispute between the riparian states of Tamil Nadu and Karnataka

✓ Limited availability of groundwater.

✓ Increasing scarcity of labour due to sharp increase in migration from rural to urban areas.

✓ Mono - cropping of paddy, which has rapidly deteriorated the soil health

✓ Sub divided and fragmented holdings limit the farm mechanization process.

✓ Siltation of canal systems.

### **Opportunities**

✓ Opportunities to promote new crop varieties and new technologies such as System of Rice Intensification and precision farming.

✓ Opportunities to introduce water-saving technologies under canal irrigation systems

✓ Further expansion of area under Palm oil trees, Maize and medicinal plants.

✓ Dry land agriculture has a good potential in this district by appropriate combination of crops, tree crops and livestock enterprises.

✓ The traditional sylvipasture system that combines sheep rearing with naturally growing trees such as Subabul could be further improved with a range of quick-growing tree species and sheep breeds.

### **Threats**

✓ River water disputes

✓ Increasing scarcity of groundwater is a major threat to expansion of irrigated agricultural production.

✓ The traditional animal breed known as “Umbalachery bulls” native to this district and known for their draught power is on the decline, which is a major threat to the sustainable farming systems in the district.

✓ Declining interest among farmers in continuing with agriculture profession due to increasing employment opportunities in non-agricultural sector and increasing risk in crop production coupled with stagnation in productivity and profitability of many crops.

### **Conclusion**

There is no doubt that in any marketing there is a motive towards profit involved and at the same time the marketing is to be based on certain values, principles and philosophies such as offering just and fair prices to the farmers who toil hard to till. Bringing necessary reforms coupled with proper price discovery mechanism through regulated market system will help streamline and strengthen agricultural marketing. 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. Marketing of agriculture can be made effective if it is looked from the collective and integrative efforts from various quarters by addressing to farmers, middlemen, researchers and administrators. It is high time we brought out significant strategies in agricultural marketing with innovative and creative approaches to bring fruits of labor to the farmers.

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