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Due to structural changes in the agriculture sector, use of technology and government efforts, there have been major changes in the Indian agricultural system. Our country's 151.9 million hectares of agricultural area contributes more than 30% of GDP. The country with the second largest population in the world is not only self-sufficient in food grains but also exports agricultural produce to more than 50 countries of the world and it is among the 15 leading agricultural products exporting different countries in the world.

According to the 2011 census, 66% of India's population is directly engaged in agricultural activities. India is the second important country in the world in food grain production .While India is the world's leading country in the production of Millets as well as jute banana, mango, papaya and lemon. Due to the changing patterns of development and the influence of industrial and technological progress, the attraction of people towards secondary and tertiary economic sectors has increased at present. Due to which the agriculture sector has been neglected. But at a time of various periods of global economic slowdown, this primary economic sector (agriculture and forestry) of the country has contributed significantly in securing our economy. During the covid-19 pandemic, when the world's major economies suffered a historic decline, our primary economic sector contributed 17.8% to the country's GDP. at a growth rate of 3.4%.

At the same time, the role of agriculture and farmers in our economy is important in many ways. Such as suppliers of food grains, large sources of raw materials, facilitating the progress of agro-based industrial development, as a large market for seeds, fertilizers, pesticides, agricultural machinery and commodities of farmers' consumption and as a provider of employment and manpower. But at present, the farming society of the country especially the rural youth and 85% of the small and marginal farmers of the country is becoming indifferent to farming. Due to the increase in the cost of agricultural production .Because multi-fold increase in the price of fuel, seeds, fertilizers, pesticides, and agricultural equipment, and on the other hand farmers not getting proper prices for agricultural products. Although a number of government programs have been launched to improvement of agriculture and the condition of farmers. But the expected success has not been achieved in improving the living conditions of the farmers, Also the number of farmers has also declined over the years.

Regular and transparent agricultural market system is an important factor in the empowerment of farmers. But from various government and non-government surveys and personal inspections, it is clear that only 40 to 50% of the money spent by consumers on agricultural products is received by the farmers. The remaining 60 to 50% goes into the form of market expenses and the profit of intermediaries. In such a situation, the expected improvement in the market system will prove to be helpful in increasing the income of the farmers.

### **Objectives-**

1. To review the actual price received by different categories of farmers on their various agricultural products.
2. To Identify the problems arising at the local level in the agricultural marketing system and to explore the possibilities of improving intermediaries, arhatiyas (commission agent) and government procurement systems.
3. To assess the improvement in the economic condition of farmers due to changes in the agricultural marketing system.

**Methodology** - This research paper is based on the compilation of facts and secondary facts and data obtained by itself from the observation of agricultural markets. Along with this, findings and suggestions have been proposed by analyzing the agricultural marketing system by incorporating guidelines and policies received from various sources.

**Condition of Farmers in India -**

Agriculture is the main source of livelihood and employment of the people in rural India. Despite increasing urbanization and industrial progress in the 21st century, 48% of the total households in the country are directly associated with agricultural activities. The country has witnessed massive changes in various sectors of the economy with economic reforms, liberalization and WTO interventions that began in the 90s. But there is not much change in the condition of Indian agriculture and farmers life. However, due to the enterprise of farmers, there is a record increase in agricultural products in the country.

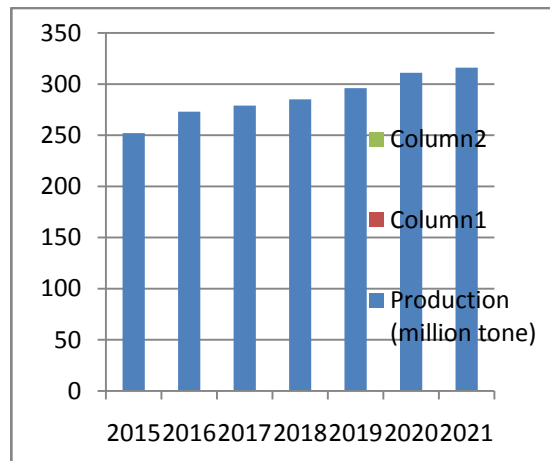
Table No. 01  
Area sown of Rabi crops in India (in lakh of hectares)

Crop Name	Year	Year	Gross Change
	2020-21	2021-22	
Gross Food grains	420.01	410.69	-9.32
Gross Pulses	153.53	163.44	+9.91
Gross Oilseeds	79.01	90.07	+11.06
Total Crop Production area	652.55	664.20	+11.65

Source-DAC(Department of Agricultural &Cooperation(2021-22)

Table No 02  
Food Production in India

Year	Production(in million tons)
2015-16	252.00
2016-17	273.38
2017-18	279.51
2018-19	285.20
2019-20	295.67
2020-21	310.74
2021-22	316.06



Source-DAC(Department of Agricultural & Cooperation-2021-22)

Table No- 03

Export of Agricultural Production

Year	Export(in million dollars)
2013-14	32
2014-15	33
2015-16	30.1
2016-17	-
2017-18	38.43
2018-19	-
2019-20	35.16
2020-21	40.25

Table No -04

Number of Farmers &Agricultural workers (in crores)

Year	Farmers	Agricultural Labour	Total
1981	9.25	5.55	14.80
1991	11.07	7.46	18.53
2001	12.73	10.68	23.41
2011	11.88	14.43	26.31
2020	10.70	-	-

Source-NSSO (2020)

It is clear from the data in the above tables that there has been a record increase in the agricultural area sown, agricultural production and export of agricultural products in the country over the years. But the number of farmers and their condition has declined. It is pronounced from table 04 that farmers have been turning away from farming in the last 5 decades. While the number of agricultural workers has increased progressively. According to the department of agricultural data(2021), 45% of the farmers and 55% of the agricultural laborers are engaged in the agricultural system. However, it varies from State to State, such as Tamil Nadu, Bihar and Andhra Pradesh, the ratio of farmers to agricultural workers is 30 and 70% respectively.

The main reasons for the declining number of farmers are small size of holdings due to increasing population, rising agricultural production cost, increasing credit pressure, lack of favourable marketing system and increasing agricultural risk. The continuous decline in the number of farmers for the last 20 years is a sign of distress for food supply and a big crisis for the economy. The NSSO survey in 2020 reveals that 50% of the country's farming households are indebted to various institutions and in the 70% of the loans have been given by banks, cooperative societies and government agencies. Whereas the 25% share of loans given by moneylenders. Out of this loan taken by farmers, 58% loan has been taken for agricultural purposes. On an average, each agricultural household has an average debt of Rs 74,121 per agricultural household. Various Governments have made continuous efforts to improve the living conditions of the farmers. In February 2016, the Government of India has set a target of doubling the income of farmers by 2022-23 on the basis of the year 2015-16. According to NABARD data (2020), the average monthly income of farmers in the country is Rs 10,218. that is rupees 340 per day. However, there is a lot of disparity in the income of farmers state-wise. The committee formed under the leadership of Ashok Dalwai has set three main strategies to double the income of farmers :-

1. Increase in Agricultural productivity and production.
2. Rational use of resources and
3. Providing remunerative prices to farmers.

**Agricultural Marketing System-** Agricultural marketing includes all the services which have to be done to transport agricultural produce from the field to the consumer. Agricultural marketing includes forest produce, horticulture, collection of agricultural products, storage, transportation, procurement, finance, grading, standardization, food processing and risk etc. According to Thameson (1951), agricultural marketing covers all the activities and institutions by which food grains, raw materials and products produced on the farmers' farm are operated from the farm to the consumers. Along with this, the study of the impact of marketing activities on farmers, intermediaries and consumers is also part of agricultural marketing.

According to Awat, Agricultural marketing includes all the tasks by which food items and raw materials reach consumers from the farm.

In an optimal marketing system, farmers get a suitable return for their produce. And consumers get agricultural produce at a lower price as well as intermediaries get a fair profit. Surveys conducted from various sources in our country reveal that only 40 to 50% of the money spent by the customers on the purchase of agricultural products is received by the farmers. The remaining 50 to 60% goes to intermediaries and market expenditure.

Along with time, there have been many changes in the agricultural marketing system of the country. After independence, green revolution and other agricultural revolutions such as White Revolution, Blue Revolution, Yellow Revolution, Pink Revolution etc. along with the establishment of APMC mandis, e-NAM (Unified National Market) and NABARD,

recommendations of the Agriculture Commission, continuous improvement in MSP, construction of warehouses, improvement in transport facilities, provisions for classification and standardization of agricultural products, announcement and publication of daily prices of agricultural products through radio, television and government websites. The nature of Indian subsistence agricultural system has changed. In fact, an ideal agricultural marketing system enhances the prosperity of the farmers. Encouraged by this, he tries to increase the production as much as possible. As a result, the income of the farmers increases, the standard of living of

the farmers improves, the supply of food grains is facilitated and the economic development of the country is accelerated.

In our country many types of problems are clearly visible in the agricultural marketing system. For example, most of the farmers are illiterate and poor, a long chain of intermediaries, brokers and middlemen is seen in the agricultural marketing system. This includes moneylenders, mahajans, nomadic traders, arhtiyas, wholesalers, mill owners, etc. Due to the traditional and inadequate system of storage of agricultural products in the homes of the farmers and the lack of public storage system, the products of the farmers start deteriorating soon. Due to this situation, they are ready to sell the crop at a lower price soon after harvest. Due to the mismanagement prevailing in the unregulated mandis, corruption, irregularities in weighing, various cuts in the name of donations, dominance of brokers and arhtiyas, lack of organization among agricultural producers etc. in these above situation brokers fix arbitrary prices from them and they do not get proper profits.

#### **Level of Marketing-**

1- Sale in the village: Even today, most of the farmers sell a large part of their produce to nomadic traders, banias and moneylenders in the village itself.

2- Sale in village Haat, fair and weekly markets: – The fair and weekly markets located within a radius of 5 to 10 kilometers from the village are the most suitable places for small and marginal farmers to sell their produce and buy the items of their needs.

Generally, there are two types of mandis- Regular mandis and Irregular mandis. there is an abundance of such irregular mandis in the country, Where farmers do not get a fair price for their produce, due to fraudulent behavior of brokers and arhtiyas. Regular mandis are set up as per the rules of the State Governments. At present, about 7600 regular APMC mandis are operating in different states of the country. More than 60% of the total agricultural produce is bought and sold in these mandis.

Co-operative societies- it play an important role in freeing the farmers from the trap of intermediaries and giving them a fair price for their produce. More than 6 lakh cooperative societies in the country provide their support to the farmers in the cheap loans, fertilizers, seeds, and sale of agricultural produce. The co-operative societies try to collect a small amount of agricultural produce of the farmers and sell them in the mandis and to the government at a better price. So that farmers can get maximum benefit.

Government Procurement- Central and State government purchase agricultural products directly from the farmers through their employees, cooperative societies or the Food Corporation of India. Many state governments set up government procurement centres especially for procurement of wheat and paddy during the crop year. So that their products can be purchased directly from the farmers at the prescribed MSP. With this, farmers get fair price directly in their bank accounts through DBT. For example, the Government of Uttar Pradesh (2022) has set up 5612 procurement centers for procurement of Rabi and Kharif crops in various districts.

#### **Agricultural market system and the role of regulatory bodies-**

Agriculture being a State Subject in the Indian Constitution, the Agricultural Produce Markets Act is implemented by the State Governments. 7600 APMC mandis controlled by the state government are operating in the country. At the same time, more than 2700 agricultural produce markets and more than 28 thousand rural primary markets are playing their role in operating the agricultural marketing system. But due to small number of authorized mandis in the country, lack of infrastructure in the mandis, many restrictions on selling agricultural products outside the State, monopoly system in these markets and lack of free and transparent competition. Indian farmers are forced to sell a large part of agricultural produce to local and private traders and brokers. In our country, there is usually a three-tier system of marketing of agricultural products. 1- Primary or Rural Market 2– Aggregation Mandi or Collection Centre 3– Wholesale or marginal market.

A variety of regulatory bodies are providing their support to farmers to get fair price for their produce, expand agricultural market information network, support in marketing, storage facilities and development of infrastructure. In these- NABARD (1982), NAFED (1958),

National Institute of Agricultural Marketing Jaipur (1988), Warehousing Development and Regulatory Authority (2010), Food Corporation of India (1965) and Tribal Cooperative Society Development Association (1986). Niti Aayog has created a network of e-NAM (National Agricultural Market) (Electronic Trading Portal) a national agriculture market in 2016 in a new effort to radicalize the agricultural market. A sum of Rs. 7500000 is allocated to the farmer organization and market for setting up e-NAM infrastructure. At present, more than 1000 agricultural markets and 2 crore farmers and traders have been registered under it

**Government efforts for empowerment of farmers-** Governments have made continuous efforts to improve the condition of farmers, livestock promotion, food processing and development of integrated agriculture. The important government efforts made to increase the income of farmers in the last decades are as follows:-

- Farmers Can get a better price for their agricultural produce by forming a farmers' group by the Farmers and Farmer Producer Organization (FPO) and small farmers Agribusiness Consortium (SFAC) by registering themselves as a company.
- Continuous increase in minimum support price (MSP) and increase in its area.
- Neem Coated Urea Policy (2015) for proper supply of fertilizers.
- Soil Health Card Scheme.
- Pradhan Mantri Krishi Sinchai Yojana (target of providing water to every farm.
- Pradhan Mantri Fasal Bima Yojana.
- Traditional Agriculture (Organic Farming) Scheme.
- Rashtriya Gokul Mission (for maintenance of bovines and dairy development).
- Kisan Channel (24×7)
- Shri Anna Yojana (to promote production of coarse cereals(millets), as 2023 has been declared as the International Year of Coarse Cereals by the United Nations).
- The Government of India has started Kisan Rail to facilitate the quick transportation of fruits and vegetables to the market along with the facility of refrigeration.
- Sapanda Programme (Marine Agro-Processing and Agro-Processing Cluster).
- Creation of integrated national cold chain grid.
- Mega Food Park Scheme.
- Integrated Agriculture Scheme, In this, along with the production of crops, apiculture, fisheries, poultry, and horticulture being encouraged.

**Findings and Suggestions** - After a field study of the ground situation of farming households and the current marketing system, some suggestions have been made to improve it. Which is as follows:-

- ❖ Small and marginal farmers are prominent in the Indian agricultural system. The number ranges from 70 to 80%. But they have only a small amount of saleable residue of products. In such a situation, they can be helped in providing fair prices by minimizing marketing expenses.
- ❖ By increasing the number of regular mandis and linking them to the network of e-NAM, farmers can be helped in providing fair price for their produce. (As recommended by the National Commission for Agriculture, the service area of the mandi should be less than 80 km perimeter.
- ❖ The markets Infrastructure in markets has to be upgraded.
- ❖ A large number of information about the process of grading and standardization of agricultural produce has to be conveyed to the farmers, so that they can get fair prices for the crops.
- ❖ Transport facility has to be further developed in rural areas

- ❖ The number of warehouses should be increased and the facility of mobile refrigeration for fruits, vegetables, milk etc. should be expanded.
- ❖ By increasing the diversity, mobility and entrepreneurship of agricultural markets, farmers can be helped to improve their lives by providing them a fair price for their produce.

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