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A Critical Study on Status of Subsidy on Seeds and Fertilizer and Its Co-Relation with Marketing in India

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Abstract--During now Asian country was heavily dependent upon foreign food aid that compromised India's sovereignty over crucial matters. It had been at now accomplished that, excluding building structure for storage and distribution, self-direction in production of food grains is imperative. It resulted in large investments in agriculture productivity, through the means that of hybrid seeds, Chemical Fertilizers, Pesticides and irrigation infrastructure. This came to called revolution. Agriculture sector is without doubt most vital sector of Indian economy because it provides employment to fifty four. 6% of individuals and food security of Asian nation revolves around this sector. Its importance are often gauged by the actual fact that whenever there's concern of deficit monsoon, whole of the population starting from farmers, workers, businessmen, policy manufacturers and even foreign investors are caught into nervousness. Owing to dependence of disproportionate population on this sector, Indian economy are often still aforementioned to be associate rural economy. However, sector is basically state controlled that resulted in widespread inefficiencies and distortions.

The marketing strategies of the companies largely affected by the subsidies given by the the authorities. This paper analyses the status of the subsidy and also co-relate this with the marketing of seeds and fertilizers.

Keywords--agriculture sector, foreign investors, Indian economy, marketing, rural economy.

Introduction

Agriculture Sector has been growing appreciably a minimum of four-dimensional from previous few years (with some exceptions) and last year's growth was record four.7%. However this is often no reason for rejoice as our farmers and agricultural

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sector square measure still quite vulnerable and growth is on back of interventions that has given India a inclined agricultural basket. Primary reason for this growth is claimed to be sensible monsoons and growing crop incentives below schemes like Minimum damage (MSP). From terribly starting agriculture has been at center of presidency policy, however sector was recognized as prime moving force solely in 2002. It truly started at the time of warfare two, once food shortages were severe. Later Public distribution System was developed throughout time of nice geographical region Famine that killed concerning two million individuals. Ultimately government management got reinforced by appointment 'Commission for Agriculture' and formation of 'Food Corporation of India' in 1960's. Former's role was to advocate costs for state acquisition of various crops and latter's perform ranged from acquisition, storage and issue of food grains (Belk, 1975; Pretty et al., 2000; Yeung, 2000).

Green revolution, overtime, yielded spectacular results and in coming back decades Asian country was independent in foodstuff production and achieved physical food security. However, it didn't provide Indian individuals economic food security and food security continues to be an enormous challenge. Expensive inputs and MSP regimes often pushed up costs and rendered them unaffordable to the poor (Croft, 2003; Guimaraes et al., 2000). It all culminated into a confusing scenario wherever on one hand there have been bumper productions and excessive food grains with FCI, on the opposite hand millions were living below starvation. This was primarily as a result of laws, laws, establishments that were brought into existence in face of insufficiency, mostly continuing even at the time of abundance. Outcome is noncompetitive agriculture sector, reeling below debt that can't survive while not serious government support. As always, this issue is once more a serious one for current government and there square measure some suggestions towards reforms and few steps were conjointly taken recently. In this research, researcher will discuss issues involved and various steps government have taken to remedy for Agriculture production, procurement and storage (Ferrell & Michael 2005; Petit & Sanna 2000).

Inputs of agriculture and subsidies thereon

Subsidies on inputs have their root in revolution. That point intensive subsidies got on Hybrid seeds, Fertilizers, pesticides etc. main aim of subsidies square measure 2 – one is to stay price of the food grains at minimum and avoiding food inflation, second is to confirm financial gain security of the farmer. Whereas this policy has helped heaps to secure food sufficiency, however it's several uncaused negative impacts. It ends up in overuse of inputs as inputs prices doesn't represent adequate market prices, farmers square measure unable to reply to promote signals (Dawes, 2004; Barajas et al., 2000; Hatzius, 2000). They still use inclined mixture of inputs as prices square measure borne by government.

- Seeds
Macro Management Agriculture Scheme is one of the centrally-sponsored schemes formulated with the objective to ensure that central assistance is spent on focused and specific interventions for the development of agriculture in states.

Integrated theme for oilseeds, pulses, feather palm and maize (ISOPOM); The first programme on Oilseeds was launched in 1986 as Technology Mission on Oilseeds (TMO). The core idea was to increase the production and productivity of oilseeds to make the country self-reliant in this vital sector. Later Pulses, Oil Palm & Maize were brought in its ambit in the 1990s. The scheme was later restructured in 2004 as Integrated Scheme of OilSeeds, Pulses, Oilpalm and Maize (ISOPOM).

- Pulses
It is being implemented in 14 states of the country for oilseeds & pulses as follows: Andhra Pradesh, Bihar, Chhattisgarh, Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Orissa, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh, and West Bengal. The Technology Mission on Cotton, Mini Mission-I was launched in February, 2000 alongwith other three Mini Missions with a special consideration to improve cotton production and productivity with internationally competitive fiber quality. Certification is finished by state agricultural universities or personal organizations licensed by 'Indian Council of Agricultural Research'
- National Seeds Corporation
It is Miniratna Company beneath Ministry of agriculture fashioned in 1963 to supply foundation seeds and undertake certification activities. It's central role in development of seed business in Republic of India. Varied schemes like ISOPOM, NFSM and National gardening Mission square measure enforced (partly or fully) beneath NSC. It's additionally concerned in export of seeds, particularly to SAARC nations and African countries (Borden, 1964; Ramaiah, 2000; Scharl, 2005). It maintains a SAARC seed bank during which massive quantities of varied seeds square measure unbroken as inventory in order that shortage thanks to any natural misfortune or otherwise might be tackled.

Fertilizers and Manures

Fertilizers are any organic/inorganic, natural/synthetic material used in soil to supplement it with plant nutrients which are essential for plant's growth. Fertilizers were another most important part of green revolution. Some points to be noted are:

- In India per hectare Consumption around (around 146 Kg) is far lower than developed countries.
- Indian Soils are deficient in Nitrogen and Phosphorus
- Fertilizer can most effectively be used with ample water. So rainfed areas (deprived of irrigation) constitute 70 % of agricultural land and still they use only 20% of national Fertilizers consumption. On other hand Rabi crops are dominantly produced in Irrigated areas, so they consume about 66% of fertilizers while their share of total agri output is 33%
- Due to rising prices of fertilizers government is promoting organic farming and organic manure.
- India meets its 80 % requirement of Urea (N), while it is heavily dependent on Imports for its potassium (K) and phosphorus (P) fertilizer requirements.

Fertilizers Vs Manure

Fertilizers are made through industrial processes in which composition of nutrients is precise and deliberately fixed. In contrast Manure is derived animal waste such as cattle dung and urine. It enriches the soil generally. Further, presence of manure makes fertilizers even more effective.

Macronutrients and Micronutrients

Plants or crops needs about 17 essential elements to survive and grow. If any of these elements is deficient, then growth will be stalled or plant will die. Among these elements, N, P, Calcium, Magnesium and Sulfur are required in comparative large quantities and termed as macro nutrients. Other elements such as Boron, Chlorine, Copper, Iron, Manganese, Molybdenum, Zinc and Nickel are needed in smaller quantities hence termed as micronutrients (Andersen, 2005; Saravanadurai & Manimehalai, 2016). Macronutrient based fertilizers are dominant and its use enhances capability of plants to extract more micronutrients from soil.

- Nitrogen – Is responsible for green leafy growth and overall plant health. It is Necessary for Photosynthesis to take place. Deficiency will result in yellow leaves and weak plant.
- Phosphorous – Is necessary for root, flower and fruit development.
- Potassium – Plant health and vigour. It helps plant to fight diseases and pests. It also gives strong cell walls

Literature Review

Rangaswamy & Venkateswarlu (1984), endeavored to look at the purpose behind being brand faithful. It has been discovered that 50 percent of the shopper respondents favored a specific brand since they were persuaded that its quality was superior to that of different brands. Another 38 percent of the example purchasers felt it was the taste, which caused them to go in for a specific brand, while not many shoppers in the example expressed low cost and simple accessibility as the primary purposes behind choosing a brand. Sandhu (1992), saw that in Punjab, pesticides market was constrained by the private dealers as around 80 percent of the complete pesticides were taken care of by it, which showed oligopolistic nature of the market. The co-agents and the administration took care of just around 20 percent of the absolute pesticides devoured. The private dissemination channel was seen as more proficient than the others.

Rane & Robertson (1996), contemplated the special procedures of Deepak Fertilizer and Petrochemicals Corporation Ltd. (DFPCL). He found that the business projects were helped out through agrarian alumni by conveying the organization items by and by to the ranchers. This program made great picture for organization's item. Likewise, the spot exhibitions were done on rancher fields thought about the effectiveness of items. Aside from these things DEPCL additionally led ranchers and sellers preparing project to bestow information about the utilization of P, K and micronutrients. Gupta (1999), in her statistical surveying reasoned that brand inclinations among the shoppers might be identified with various components like

individual characteristics, age, instructive capabilities, word related status, month to month pay and so forth.

Research Methodology

The research paper based on secondary data collected.

Objective of the Study

- To study different Agriculture schemes launched by Government of India.
- To study the effect of different Agriculture schemes on marketing.

Data Collection

Data has collected from newspaper, books, magazines, reports, and websites.

Conclusion

The subsidy has become the essential part of the fertilizer and seed sector in India. The marketing of these products has been largely affected by this. The subsidy is affecting the decisions in following areas of the marketing i.e. product, price, place and promotion. The companies are manufacturing the products, putting the price of the product and promoting based on the subsidy.

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