

UNIT 57 – UPSC - Transport and marketing of agricultural produce and issues and related constraints

Agro products are the life line and vital source of survival for the human kind. Agro Products' include wide range of products related to agriculture such as varieties of raw and finished goods under the classifications of plants, animals and other life forms. Agriculture is best served by reliable high urban, and international, demand. Agricultural commodities produced have to go through a series of operations such as harvesting, threshing, winnowing, bagging, transportation, storage, processing and exchange before they reach the market, and as evident from several studies across the country. There are considerable losses in crop output at all these stages. This is best brought about by an efficient, high volume, transport and marketing system where the transporting and marketing unit costs are low. If the margin between what the farmer receives from the sale of his produce and what the urban consumer pays for his produce is high then the effective demand transferred to the farmer will be correspondingly be reduced. Likewise, if internal transport costs in a country are considerably high then the scope for agricultural exports will also suffer as compared to other more efficient countries.



When analysing transport of agriculture produce, it is identified that transport costs has critical role in recognizing the link between accessibility and agricultural development. Good transport system is critically important to competent agricultural marketing.

For distribution of agriculture produce, road transport has vital role because it is the major means of transporting agricultural produce from the farms to the markets as well as to various urban communities. It is the only means by which food produced at farm location is transported to different homes as well as markets. Transport creates market for agricultural produce, improves interaction among geographical and economic regions and opens up new areas to economic focus. There are intricate relationships that vary both spatially and over time between transport and development. However, for any development to take place, transport plays a crucial role. According to Ajiboye and Afolayan (2009), road transport is the most common and complex network. It

includes wide range, physically convenient, highly flexible and usually the most operationally suitable and readily available means of movement of goods.

There are many issues and constraints associated with transportation of agriculture produce. If transport services are uncommon, of poor quality or expensive then agriculturalists will be at a disadvantage when they try to sell their crops. An expensive service will naturally lead to low farm gate prices (the net price the farmer receives from selling his produce). Seasonally blocked roads or slow and infrequent transport services, along with poor storage, can lead to losses as certain produces such as milk, fresh vegetables, tea, deteriorate quickly over time. If agricultural produce is transported through rough roads then other crops (e.g. bananas, mangoes) may also suffer losses from bruising. This will also result in lower prices to the agriculturalist.

Marketing of agriculture produce:

The term agricultural marketing comprises of two words, agriculture and marketing. Agriculture, in broad sense, it means activities aimed at the use of natural resources for human welfare, i.e., it includes all the primary activities of production (Acharya, 1999). Marketing implies a series of activities involved in moving the goods from the point of production to the point of consumption (R.W. Chapman, 1973). Agricultural marketing system is described as physical and institutional set up to perform all activities involved in the flow of products and services from the point of initial agricultural production until they are in the hands of ultimate customers. This includes assembling, handling, storage, transport, processing, wholesaling, retailing and export of agricultural commodities as well as accompanying supporting services such as market information, establishment of grades and standards, commodity trade, financing and price risk management and the institutions involved in performing the above functions. Other theorists explained agricultural marketing as the marketable function involved in transferring agricultural products consisting of farm, horticultural and other allied products from producer to consumer. Agricultural marketing also replicate another dimension from supply of produce from rural to rural and rural to urban and from rural to industrial clients.

The form of agricultural marketing is sturdily influenced by the nature of transport services. Many developing countries suffer from monopolistic, low volume and high cost transport and marketing systems. Economies of scale are present in both transport and marketing operations. The proportion of transport charges to final market price will vary with a range of factors such as commodity type, the efficiency of the transport and marketing sectors and travel distance.

The significance of an efficient and modest marketing system is important to rural transport services (RTS) and infrastructure to speed up development. However, the presence of markets in themselves also constitute a means by which the effective demand for transport can be increased. A market acts as a point where goods and people are incorporated together and thereby concentrating the demand for transport. The National Commission on Agriculture described that agricultural marketing is a process which starts with a decision to produce a saleable farm commodity; involves all aspects of market structure of system, both functional and institutional, based on technical and economic considerations and includes pre and post- harvest operations, viz. assembling, grading, storage, transportation and distribution. Marketing is an essential part of agriculture, it emboldens the agriculturalists to invest more and increase production. Simple procedure of agricultural marketing is the buying and selling of the farm produce. However, in

contemporary period, the agricultural produce undergoes a series of exchanges from one hand to another before it finally reaches the consumer.

The objectives of an efficient marketing system: Agricultural products differ in nature and contents from industrial goods in several ways. They are bulky and baggy in comparison to industrial goods. They need special storage facilities because most of them are consumable goods. Many goods are seasonal and available in particular period only. The farm goods are produced on a large geographical area, their collection poses a serious challenge. Assorting and grading is problematic in case of farm produce. The agriculturalists are generally cash stripped or debt burdened, so have to dispose of produce as early as possible. Both demand and supply of agriculture produce are inflexible. This means that if there is a plenteous crop, it can result in tragedy for farmer and if there is shortage of crop, farmer is unable to take the advantage. The advantage passes on to middlemen. Thus, the objectives of the effectual marketing system are as under:

- To enable farmers to get the best possible returns.
- To provide facilities for selling the produce at an incentive price.
- To reduce the price difference between the primary producer and ultimate consumer.
- To make available all products of farm origin to consumers at reasonable price and within reasonable time.

Marketing of agriculture produce

Agriculture input can be classified into following two categories	
Consumable input	Durable Input
Plant food (Manure & Fertilizers)	Farm Equipment (Tractors, Harvesters, Threshers)
Agro Chemical for plant protection(Pest)	Irrigation equipment (Motor, Pump sets)
For Power Generation (Diesel, Oil, Petrol, Electricity)	Construction material (Cement, Bricks)
Feed (Cattle, Poultry)	Transportation Equipment (Bullock cart, Tractor, Truck)
Veterinary medicine	Farm Animal (Bullock, Cow, Goat)
Packing Material	Others (Tiers, Tube, Spare Parts)

The Peculiar Characteristic of Agriculture Produce are:

- Bulkiness
- Perishability
- Wide Varietal Differences
- Dispersed Production
- Processing need for consumption
- Seasonality
- Comparative Advantage

There are three marketing functions while selling of agri-product:

- Assembling
- Preparation for consumption
- Distribution

Selling of agriculture product depends upon Demand of product and Availability of storage.

Selling strategies: The products can be sold directly or stored. It can be sold as gathered from the field or it can be cleaned, graded and processed. Distribution system needs to match supply with the demand by whole selling and retailing in various points of different markets. Most of the time the product is sold to moneylenders where farmers are indebted. It can be sold weekly in village or at irregular intervals in **mandi**.

Agricultural marketing in Indian context:

Indian agriculture support to the national gross domestic product (GDP) is about 25 per cent. With food being the uttermost need of humans, emphasis has been on commercialising agricultural production. Due to this, adequate production and even distribution of food has become a high priority global concern. In ancient time, India agriculture was subsistence farming. Earlier, the agricultural produce was basically exchanged by nature where farmers exchanged goods for goods and also against services (Acharya, 1999). Progressively, the situation changed with the changing times and agriculture produce began being sold with an element of commercial value. Trading of agriculture produce began for exchange of money. And from trading to marketing of agricultural produce began although mostly it is a way of traditional selling.

Currently, India is the major producer of many fresh fruits, vegetables, milk, fibrous plants. India is second largest producer of rice and wheat. India has ranked third in producing dry fruits. Reports signified that India is among World's five largest producer of 80% agri. Produce and largest producer of livestock with fastest growth rate as on 2011. The peculiar characteristic of agriculture produce result in a very complicated marketing system and in the process rural produce are exploited. The rural credit survey conducted by RBI in 1951 defined marketing system of agriculture produce as "Inefficient and Exploitative". Income of rural consumer depend upon the efficiency of marketing of agricultural produce irrespective of the technology adopted in production. Any technology innovation should go hand in hand with efficient marketing. Rural

marketing is as old as the civilization. Surplus of agro products are exchanged in earlier days in the barter system. The introduction of currency, transport and communication has increased the scope of rural market.

Agri-Marketing: The demand for products and services has increased at great pace in rural areas. Green Revolution in North and White Revolution in west has brought about a new affluence in the lives of rural society. Government put more emphasis on rural development which has caused substantial changes in the rural scenario. Moreover, the special attention given for infrastructure development through the successive Five-Year plans has improved the buying and consumption pattern of rural people. In India, there are networks of cooperatives at the local, regional, state and national levels that help in agricultural marketing. The merchandises that are mostly handled are food grains, jute, cotton, sugar, milk and nuts. Presently, large enterprises, such as cooperative Indian sugar factories, spinning mills, and solvent extraction plants mostly manage their own marketing operations independently. Medium and small-sized enterprises, such as rice mills, oil mills, cotton ginning and pressing units, and jute baling units, mostly are allied with cooperative marketing societies.

In present scenario, there are advancement in means of transport and storage facilities and agriculture became commercial in character and the farmers grew those crops which fetch them better prices. Thus, the cropping pattern is no longer impacted by what a farmer needs for his own personal consumption but what is responsive to the market in terms of prices received by him. Additionally, the trade is organized but farmers are not familiar with the complexities of the marketing system. A farmer face several constraints as a seller and is forced to sell his produce at an unfavourable place, time and price. Due to all these there is need of a well-organized agricultural marketing system.

Facilities needed for efficient agricultural marketing:

There are some basic facilities required by agrarian. These include

- Proper storing facilities.
- Holding capacity to wait till best prices are fetched.
- Adequate and cheap transport facilities so that farmer is able to reach Mandi rather than disposing it off at his village only.
- Clear and timely information about the market prices so that he is not cheated.
- Organized and regulated markets so that he is not ripped off by Dalals and Adhtiyas. As small as possible number of intermediaries.

Government Institutions involve in marketing of agriculture produce:

In India, there are several central government organisations, who are involved in agricultural marketing:

- Commission of agriculture cost and prices.
- Food Cooperation of India.
- Cotton Cooperation of India.
- Jute Cooperation of India

Current System of Agricultural Marketing in India:

There are four major systems of agricultural marketing in India at present. These include;

Direct sale to moneylenders and traders. Majority of the produce is sold by the farmers to the village traders and money lenders. The moneylenders then work as agent of the wholesalers. Village Haats: A Haat is village market that covers an area of 5-10 miles. They are held weekly and here, the agents of wholesalers and different brokers visit to buy the produce. The Haats are poorly equipped and lack storage, drainage and other facilities. Smaller and marginal farmers generally sell in these haats. Mandi: A Mandi is a wholesale market, which serves a number of villages and is generally located in a city. The business here is carried out by the Adhtiyas. Adhtiyas buy from farmers via middlemen and then sell it to wholesalers who sell it to retailers. The system is different in case of sugar, paddy and cotton though. The Mandis are regulated by APMC acts of various states.

Co-operative marketing: Such societies are formed by farmers to take advantage of collective bargaining. A marketing society collects surplus from its members and sell it in the Mandi collectively. This improves the bargaining power of the members and they are able to obtain a better price for the produce. In addition to the sale of produce, these societies also serve the members in a number of other ways.

Agricultural Marketing Infrastructure:

Markets may be classified into several criteria:

1. **Rural Primary Markets:** Main rural markets in India are periodic markets or haats and fairs (melas, jatras). Rural Primary Markets include mainly the periodical markets known as haats, shandies, painths and fairs. In spite of the development of permanent shops, these play an important role in the rural economy. They are the traditional trading institutions in existence. These markets provide an opportunity not only to purchase consumer goods but also to sell surplus agriculture and allied produce. The producers sell their produce directly to the consumers or to small rural retailers. The goods traded are generally of inferior quality and the volumes are low. These markets are mainly unregulated and are generally held once in a week. These are located in rural and interior areas and serve as important function to majority of the farmers for marketing their farm produce and for purchase of their consumption needs. Rural Primary Markets play significant role in marketing of produce, particularly of small and marginal farmers including landless labourers. Rich farmers with higher surpluses generally take their produce to nearby wholesale assembling markets. At times, they purchase surpluses from other small farmers and carry the same along with their produce to the assembling markets for disposal. The small ploughs with limited surplus find it uneconomical to go to wholesale assembling markets located at long distances from their villages.
2. **Secondary/Assembly Markets:** It has been well recognized that the primary markets satisfy to the local demand, the role secondary markets is also important as these markets cater to the distant demand. These markets attract potential buyers/traders who assemble the produce and consolidate a truck load for sales in the city wholesale market. These operations are also principally carried out in an informal manner. In this system, some traders/transporters establish collection centres in a production area, where farmers bring their produce, which is transported, in truckloads to a city market. The

infrastructure available in these markets is generally poor and suffers from the same handicaps as do primary markets.

3. **Wholesale Markets:** These markets offer a convenient process to gather huge amounts of produce from different sources and for its division into small assortments to meet the needs of the retailers in the country. The procurement of agri-produce by various government agencies also takes place through these markets. The volumes handled in these markets are much larger. These markets require not only an elaborate physical infrastructure but also some kind of regulation to protect the interest of both the producer and the consumer. Most wholesale markets are roofed under the Agriculture Produce Marketing Committee Acts and are also called regulated markets. In metro cities like Delhi, Kolkata, Bangalore, these markets perform twofold function; transit market for supplies to the hinterland and distant markets and terminal market for supplies to the merchants for local consumption. The primary wholesale markets are situated in important towns near the centres of production. The producer/farmers bring the major part of the produce for sale themselves in these markets. The secondary wholesale markets are normally located in district headquarters or important trade centres. The bulk of the arrivals in these markets are from other markets. Major transactions happen between village level commission agents and wholesalers. In the terminal markets, the agriculture produce is either finally disposed of to consumers or processors or is assembled for dispatch to distant markets and also for exports. Visualizing the significance in the marketing of agri-produce in the country, the Government has taken the responsibility upon itself to provide the requisite infrastructure and other facilities in these markets.
4. **Terminal Markets:** Terminal markets are usually seen in developed countries and is expected to gain platform in India. The Safal complex of NDDB is one such format, situated at Bangalore. They are expected to be located nearer to large cities and terminal points providing the final link in the market structure. The sellers are usually the traders and not the growers in these markets unlike the primary and secondary markets. The terminal market notion promoted in India is expected to link the farmers to these markets directly through collection centres. Government of India had announced to establish eight terminal market complexes for perishables at Nagpur, Nashik, Bhopal, Kolkatta, Patna, Chandigarh and Mumbai during 2006-07. The terminal markets provide multiple options to farmers for disposal of produce. Such markets are expected to reduce post-harvest losses and increase farmers' realization.
5. **Retail Markets:** Retail markets are gathering of retail shops centralized and located at a specific place or in a building constructed for the purpose. Retail markets handling food items are the most active elements in the food distribution chain, particularly low and middle income consumers. They serve the needs of populaces in a particular locality. Directly serving the common man, they constitute last links in the marketing chain. Majority of retailers are involved in the task of providing food items through retail markets to the consumers in the country. The "MOM and POP" stores are popular in the country as they provide food produce at the next door of the consumer. Currently, there is great interest to establish retail chains for food items including fresh produce. Number of private corporates are keen into this area and it is expected to revolutionize the system of handling of agricultural produce.

6. **Live Stock Markets:** India is biggest milk producer around the globe and is the fifth largest country in egg production. As an element of the agricultural economy, the livestock sector may become the most significant component in the days to come. The production of livestock products is through an extensive, multi-location system which keeps millions of agriculturalists occupied, but limits the productivity to meet only the domestic demand and enable sale of the surplus to the nearby market at the earliest as they are perishable and cannot be kept long without cooling facilities. Marketing of cattle is a big business for the farmers and animal traders.

Problems with Current Agricultural Marketing System:

Many economists have stated that the agricultural marketing is a system which has time and space dimension. There are several difficulties involved in agricultural marketing as agricultural produce involves element of risk like perish ability and it again depends on the type of produce. If the agriculture produce happens to be a seasonal, it also pose threat. Similarly, there are several risk elements involved in agricultural marketing. The pricing of the produce depends on factors like seasonality and perish ability and it depends on the demand and supply also. And all these are intertwined and eventually make a profound impact on agricultural marketing. With reference to India, agricultural marketing is not exactly the marketing in the literal sense. It is a type of 'distributive handling' of agricultural produce as there are number of mediators involved in marketing the agricultural produce.

However with the liberalization, privatization and globalization the economic situation in India has changed drastically and tremendously. As a result we have noticed the changes in the 'distributive handling' and again it reinvented and evolved as agricultural marketing. It is fundamentally because of the rise of retail giants who are the major buyers in bulk quantity and who constantly look for differentiated, graded, standardized, processed and packaged products rather than differentiated ones. They also look for qualitative and quantitative supply of agricultural stocks constantly to overcome the competition in the retail sector.

There are several challenges involved in marketing of agricultural produce. There is limited access to the market information. Literacy level among the agriculturalists is low and multiple channels of distribution that eats away the pockets of both farmers and consumers. The government funding of agrarians is still at initial stage and most of the small farmers still depend on the local moneylenders who are bloodsuckers and charge high rate of interest. Although, people are living in the age of technical advanced climate, but it has not gone to the rural levels as it is confined to urban areas alone. The farmers have to face so many hardships and have to overcome several hurdles to get fair and just price for their immense efforts to grow food items.

Process of globalization has brought drastic changes in India across all sectors and it is more so on agriculture, farmers and made great impact on agricultural marketing. It is basically because of majority of Indians are farmers. It has brought several challenges and threats like uncertainty, turbulence, competitiveness, apart from compelling them to adapt to changes arising out of technologies. In India, the organised marketing of agricultural commodities has been promoted through a network of regulated markets. Most state governments and UT administrations have passed legislations to provide for the regulation of agricultural produce markets

Various problems in the agricultural marketing system in India are mentioned as under:
Improper storage facilities: There are no proper warehousing facilities in villages. The farmers are enforced to store the produce in mud-vessels or katcha storehouses. This results in unscientific storage is either wastage or hastily disposing off the produce. It is advised to establish Rural Godowns and warehouses. To some extent, setting up of Central Warehousing Corporation and State Warehousing Corporation has improved the situation.

Lack of grading and standardization: Major problem in marketing of agriculture produce is that there is no proper grading and standardization techniques. This leads to Dhara (heap) sales in which all qualities of produce are sold in one common lot. Agriculturalist is unable to get fair price for better produce and this infers that there are no incentives to use better farm inputs and produce better varieties. Thus, the farmer producing better qualities is not assured of a better price. Hence there is no enticement to use better seeds and produce better varieties.

Inadequate transport facilities: In India, it is also matter of concern. There are scarce transport facilities because only a small number of villages are joined by railways and pucca roads to mandies. As a result, farmers carry their produce to Mandi on either bullock carts or other such means. The produce, which is perishable, has to be dumped to nearby market at considerably low market prices.

There is also large chain of middlemen in the agricultural marketing which considerably reduces the share of cultivator. This chain includes village traders, Kutcha Adhtiyas, Pukka Adhtiyas, Brokers, wholesalers, retailers etc.

Market wrongdoings: The market of the farm produce is mostly unregulated where the business is dominated by the brokers and Adhtiyas. Many charges such as Adhat (pledging charge) and Tulai (weighting charge) have to be paid by the farmers. Even now the number of unregulated markets in the country is substantially large.

In adequate market information: Farmers do not have enough information for selling their commodities. If the proper market information is not available to the farmers, they accept whatever price the traders offer to them. However, recently, this situation has changed drastically under the influence of information technology revolution.
Inadequate Farm Credit: The farmer needs to sell off the produce instantly after the crop is harvested, though prices at that time are very low. He can be saved from this "forced sales" if credit facilities are available from the banks.

Main Constraints in the agriculture produce:

The working group of the Planning commission has acknowledged many bottleneck in agricultural marketing system. Organized marketing of agricultural commodities has been promoted in India through a system of regulated markets owned, operated, and managed by Agricultural Produce Market Committees (APMCs).

The major constraints in domestic agricultural marketing are as follows:

1. **Variation in Market Fees/Market Charges:** As per the provisions made in the APMC Act of the States, every market committee is authorized to collect market fees from the licensees (traders) in the prescribed manner on the sale of notified agricultural produce brought by the farmers or traders in the market area at such rates as specified by the State

Government. The number of commodities brought under the realm of regulation varies from state to state.

2. **Neglect of Rural Markets:** There are more than 21000 rural periodic markets which have remained outside the process of development. These markets establish the first contact points between the producer seller and the commercial circuits. Most of these markets lack fundamental facilities.
3. **Absence of a Common Trade Language:** Different set of standards/specifications for agricultural commodities are followed by different organizations in the country. The standards laid down in the PFA Act are the National Standards. Besides this, there are Agmark Standards, BIS Standards, Standards followed by Army, Standards fixed by Warehousing Corporations and those by Food Corporation of India for procurement purposes. Traders of different commodities have got their own trade standards in different areas in the country. Therefore, the absence of common trade language is a major deterrent for evolving a competitive agricultural marketing system in India.
4. **Variation in Entry Tax/Octroi and Sales Tax:** The rates of entry tax/octroi tax and sales tax levied on different agricultural commodities differ from State to State which augments the cost of agricultural produce and gives inaccurate signals to farmers hampering production growth, and brings trade misrepresentations. These also create annoyances on the state borders causing considerable delays in interstate movement of goods.
5. **Controls under Essential Commodities Act:** Though central government removed all restrictions on storage and movement of commodities, many state governments are still applying several control orders promulgated under the EC Act. These control orders give rise to rent-seeking by the enforcement functionaries at the border check points creating artificial barriers on the movement and storage of agricultural commodities. There has not been appropriate publicity about the withdrawal of restrictions under ECA. With the reintroduction of stocking limits, the situation is complicated in present scenario.

Other Barriers:

Other obstacles in marketing of agriculture produce are lack of infrastructure like storage, transportation, telecommunication, quality control, packaging, price risk management, integration of spot markets with commodity exchanges, pledge financing through a chain of accredited storage and warehouse receipt system, cool chains, market led extension, and conducive framework for promotion of contract farming. These constraints hinder to succeed in competitive agricultural marketing system in the country. It is analysed from available reports that Problems facing agricultural exporters are knowledge gaps, marketing and market access, and export financing. Knowledge gaps include inadequate price, economic, and social information needed by an exporting firm. Examples of knowledge gap problems include inadequate country-specific information, lack of information sources for assistance with export questions, a lack of coordinated trade services, and ignorance concerning import restrictions. The marketing and market access problem area is associated with problems in the flow of goods from the production point to the final consumer.

Reform needed in agriculture produce:

The agriculture sector desperately requires organized system and smooth functioning markets to escalate growth, employment and economic affluence in rural areas of India. In order to provide vitality and efficiency into the marketing system, large investments are essential for the development of post-harvest and cold-chain infrastructure nearer to the farmers' field. Private sector contribution is needed in this type of investment 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.

Many experts requested to the state governments to properly 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 offers 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.

Initiatives for Improvement of the Marketing System:

In India, numerous measures have been adopted to improve agricultural marketing system. Some of the important measures are as follows:

1. Establishment of regulated markets Construction of warehouses.
2. Provision for grading, and standardization of produce.
3. Standardisation of weight and measures.
4. Daily broadcasting of market prices of agricultural crops.
5. Improvement of transport facilities.

This further includes AGMARK under the Agricultural Produce (Grading and Marketing) Act. the Government has set up grading stations for commodities like ghee, flour, eggs, etc. The graded commodities are stamped with the seal of the Agricultural Marketing Department –AGMARK. Agmark goods have a wider market and command better prices. A Central Quality Control Laboratory has been set up at Nagpur and eight other regional laboratories in different parts of the country with the purpose of testing the quality and quality of agricultural products applying for the Government's "Agmark" have been created.

Regulated markets have been organized to shield the agriculturalists from the misconducts of sellers and brokers. The management of such markets is done by a market committee which has nominees of the State Government, local bodies, Adhtiyas, brokers and farmers. Thus all interests are represented on the committee. These committees are appointed by the Government for a specified period of time. Their major functions include: Fixation of charges for weighing, brokerages etc., Prevention of unauthorized deductions, underhand dealings, and wrong practices by the adhtiyas enforcing the use of standardized weights, providing up to date and reliable market information to the farmers, and settling of disputes among the parties arising out of market operations. The committee is accountable for the licensing of brokers and weight men. It is nested with powers to punish anyone who is found guilty of dishonest and fake practices.

Provision of warehousing facilities: Another important reform is establishing rural godowns to prevent distress sale by the planters, particularly the small and marginal farmers, due to prevailing low prices. Government is also implementing a Rural Godown Scheme. Central Warehousing Corporation was set up in 1957 with the purpose of constructing and running godowns and warehouses for the storage of agricultural produce. The states have also set-up the State Warehousing Corporations with the same purpose. At present, the Food Corporation is constructing its own network of godowns in different parts of the country. The total storage capacity in the country was million tonnes at the end of the sixth plan. Government also encourages foreign direct investment in the godowns and cold stores.

Directorate of marketing and inspection: The directorate was formed by the Government of India to harmonise the agricultural marketing of various agencies and to advise the Central and State Governments on the problems of agricultural marketing. Activities of this directorate include the following. promotion of grading and standardization of agricultural and allied commodities; statutory regulation of markets and market practices; training of personnel; market extension; market research, survey and planning and Administration of Cold Storage Order, 1980 and Meat Food Products Order, 1973. Government Procurement also announces Minimum Support Price for various agricultural commodities from time to time in a bid to ensure fair returns to the farmers. These prices are fixed in accordance with the recommendations of the Agricultural, Price Commission.

To summarize, the agricultural produce area has been one of the most important mechanisms of the Indian economy. The increasing tendency of agricultural production has brought several challenges in terms of finding market for the marketed surplus. There is also a need to respond to the challenges and opportunities in global market. Transport is considered as a vital factor to augment agricultural productivity. It enhances quality of life of the people, creates market for agricultural produce, facilitates interaction among geographical and economic regions and opened up new areas to economic focus. There are two aspects of transport facility. First is the road network provide link between farms and market and secondly, transport equipment carry agriculture produce. The efficiency of road transport depends on the type of road provided. If kacha roads are constructed, only bullock cart can ply which will disrupt the functioning of agriculture transportation (Ali Mohammad, 1979). When evaluating marketing of agriculture produce, it is deduced that agricultural marketing is mainly involved in the buying and selling of agricultural products. In ancient time, when the village economy was more or less self-sufficient the marketing of agricultural products presented no difficulty as the farmer sold his produce to the consumer on a cash or exchange basis. Currently, agricultural marketing has to undergo a series of exchanges or transfers from one person to another before it reaches the consumer.

Major reform for food security and farmers livelihood is needed in adopting a holistic and integrated approach in ensuring convergence in the management of animal husbandry, fisheries, agro-forestry, minor forest produce and agro-minor forest-based micro and medium enterprise specially in the rain-fed areas. There is need for immediate steps to create brooder houses in each block for the marginal farmers, increase storage facilities, and develop standardization for food items. It has been identified that present Agricultural marketing system in India is the result of several years of Government intervention. The system has undergone several changes over the last four decades owing to the increased marketed surplus; increase in urbanization and income levels and consequent changes in the pattern of demand for marketing services; increase in linkages

with distant and overseas markets; and changes in the form and degree of Government involvement.