

INTRODUCTION OF AGRICULTURE MARKETING.

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SESSION OBJECTIVES

- ▶ Concept of Marketing
- ▶ Definitions of marketing
- ▶ Concept & Definitions of Agril. Marketing
- ▶ Subject Matter of Agricultural Marketing

CONCEPT OF MARKETING

- ▶ Sole objective (economic activities) is to satisfy wants of the people (society).
- ▶ Marketing or process of distribution- Also economic activity.
- ▶ Producers may be - Farmers or Manufacturers-satisfy their wants only when they are able to make their products reach to the final consumers.

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- ▶ Therefore, Marketing process helps consumers to get Farm/Non-farm Goods & Services.
- ▶ Thus, Marketing has been defined as “ All activities involved in the creation of place, time, form, and possession utilities”.

DEFINITIONS OF MARKETING



- ▶ **Clark & Clark:**

- ▶ “Marketing consists of all those efforts which effect transfer in ownership of goods and care for their physical distribution”

- ▶ **Richard Kohls:**

- ▶ “It the performance of business activities involved in the flow of G & S from the point of initial agricultural production until they are in the hands of ultimate consumers.

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▶ **Philip Kotler:**

▶ “It is satisfying needs and wants through an exchange process”

▶ **Chartered Institute of Marketing:**

▶ “It is management process responsible for identifying, anticipating, and satisfying customer requirements profitably”

CONCEPT & DEFINITIONS OF AGRIL. MARKETING

- ▶ The term agricultural marketing is composed of two words-agriculture and marketing.
- ▶ **Agriculture** – in the broadest sense, means activities aimed at - for human welfare, i.e., it includes all primary activities of production.
- ▶ But, generally, used to mean growing &/or raising crops &livestock.
- ▶ **Marketing - Connotes**
- ▶ Series of activities - involved moving goods from the point of production to point of consumption. or “all activities involved in creation of time, place, form &possession utilities.

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Acharya and Agarwal:

- ▶ “Agricultural Marketing is the study of all the activities, agencies and policies involved in the procurement of farm inputs by the farmers and the movement of agril. products from farms to the consumers.

Agricultural Marketing includes

- ▶ Organizations dealing with supply of raw materials to agriculture.
- ▶ Processing industries,
- ▶ Assessment of demand for farm inputs/raw materials,
- ▶ Policy relating to marketing of farm products and inputs”.

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- ▶ Therefore, in the context of agriculture Dr. M.S. Swaminathan has reportedly said “If farm ecology and economics go wrong, nothing else will have a chance to go right in agriculture”. The shift in focus from production only to production as well as efficient marketing has come after a very long time.

SCOPE & SUBJECT MATTER OF AGRICULTURAL MARKETING

- ▶ Agricultural Marketing in a broader sense is concerned with the marketing of farm products produced by farmers and of farm inputs and services required by them in the production of these farm products. Thus, the scope and subject matter of AM includes
 - ▶ A- Output/product marketing
 - ▶ B- Input marketing

OUTPUT MARKETING:

- ▶ The subject of output marketing is as old as civilization itself. The importance of output marketing has become more conspicuous in the recent past with the increased marketable surplus of the crops and other agricultural commodities following the technological (form of Green, white, Yellow, Blue, etc.) The increased output has increased the marketing orientation of farming both in the domestic markets and international trade with other countries.
- ▶ Thus, output marketing includes farmers, traders, wholesalers processors, importers, exporters, service providers, marketing institutions, and retailers.

INPUT MARKETING:

- ▶ Input marketing is a comparatively new subject.
- ▶ As In Subsistence farming: used inputs as local seeds, FYM, including family labour, and they were often home produced.
- ▶ Purchased inputs from market for production of crops by the farmers was almost negligible.
- ▶ Due to commercialization of agriculture: The importance of farm inputs – improved seeds, fertilizers, . insecticides and pesticides, farm machinery, implements and credit – in the production of farm products has increased in recent decades. The new agricultural technology is input-responsive

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- ▶ Thus, the scope of agricultural marketing must include both product marketing and input marketing. It covers what the system is, how it functions, and how the given methods or techniques may be modified to get the maximum benefits.

The Subject matter of Agricultural Marketing includes

- ▶ How marketing functions performed
- ▶ Marketing institutions, government policy and research,
- ▶ Agencies involved, Channels followed
- ▶ Imports/exports of agricultural commodities
- ▶ Marketing efficiency and costs, Price spread
- ▶ Commodity and futures trading, contract farming,
- ▶ Pattern of market integration, Producer's surplus
- ▶ Retail chains in marketing, pricing policies, etc

