

# “Rural Agricultural Marketing – Issues & Strategies”

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**Abstract—** Around the world, four billion people live in poverty and marketing firms are still struggling to turn them into customers. After the Green Revolution in India, the people living in rural areas are started to use consumable and non consumable products in large quantity. This paper studies the various factors affecting Agricultural Productivity. It also provides suggestions for an effective Infrastructure in rural agricultural marketing. Strategies are framed for improving marketing. The key to face challenges is to understand the market, the consumer need and behavior.

## I. INTRODUCTION

Broadly, rural marketing incorporates the marketing of agricultural products, rural industries products and services of such kind. The trade channels like private, cooperative, processors, regulated markets and state agencies are available in rural areas. Production and marketing are the two face of a same coin. Rural marketing constitutes the nerve centre of rural development activities. Rural marketing is a two way marketing process. Rural marketing is the flow of goods & services from urban areas to rural areas. These are different strategies for improving marketing within Rural Areas.

## II. MEANING OF AGRICULTURE MARKETING

Agricultural marketing is the activity of buying and selling of agricultural inputs and products. The market is a place where all buying and selling of fertilizers, seeds, pesticides, agricultural tools, etc. that are necessary for development of agricultural products is called the market of agricultural inputs and tools. The activities related to buying and selling of food grains, cash crops, vegetables, dairy products, fishery, and horticultural product are also the part of agricultural marketing. Like other markets, mutual interaction between buyer and seller is also necessary in agricultural market. Farmers become buyers in agricultural inputs and tools and become sellers in the market of agricultural products. So, farmer's role is paramount in agricultural market.

## III. FACTORS AFFECTING AGRICULTURAL PRODUCTIVITY

The general factors determining agricultural productivity are as follows:-

### *A. Pressure of population on Agriculture*

The Population is increasing day by day. As a result, there is overcrowding in agriculture has resulted in fragmentation of landholdings and pseudo unemployment in agriculture.

### *B. Rural Environment*

The Most of the farmers are illiterate in our country. They are not able to use modern farming techniques. This affects the agricultural productivity.

### *C. Role of Non-Farm services*

Non-Farm services such as banking, marketing etc influence agricultural productivity. In developed economies, government provide various facilities such as credit facilities to farmers, crop insurance has insulated them from the risks of a market economy.

### *D. Size of Holdings*

The highly populated countries of Asia are characterized by low to very low per capita landholdings. Which hamper mechanization. Moreover, small holdings cause great wastage of time, labour and cattle. Moreover, adopting scientific methods of cultivation and application of HYV seeds is impossible in small holdings.

### *E. Pattern of Land Tenure*

In India, for example, ‘the abolition of the Zamindari system failed to improve the condition of tenants. The cultivators have to pay high rents for their lands. Under such circumstances, productivity is a casualty.

## IV. RURAL AGRICULTURAL MARKETING SUGGESTIONS FOR AN EFFECTIVE INFRASTRUCTURE

Marketing play a vital role of change agent in a rural sector only if necessary infrastructure is created and the farmers are assured free access to the fruits of science and technology. In order to realize these, development of four categories need major attention. They are,

### *A. FARM INPUT SUPPLY FIRMS*

For improving the production, there should be increase in the consumption of fertilizers, purchase of

seeds and utilization of credit. This covers broad spectrum of inputs like machinery, seeds, fertilizers, agricultural chemicals, credit facilities etc.

#### *B. FARM PRODUCT MARKETING FIRMS*

An efficient marketing system is not only to satisfy the producer by paying remunerative prices for their produce but also provide the products to its consumers at reasonable prices.

#### *C. FACILITATIVE SERVICE FIRMS*

Under the present national policy framework, the market information, quality, control, research and development, finance, insurance etc are the potential areas for effective participation of the government.

#### *D. FOOD PROCESSING AND DISTRIBUTION FIRMS*

Processing is a part and parcel of the product marketing. The food processing units especially at the farm level are yet to be developed and they are at the infancy stage only. Establishment of more processing units is essential.

### **V. STRATEGIES FOR IMPROVING MARKETING WITHIN RURAL AREAS**

Marketing strategies are adopted according to the product characteristics, the targeted segment of the rural market, the choice of the rural area and its economic condition. There are four strategies i.e. Product strategy, Price Strategy, distribution strategy and promotion strategy.

#### *2. PRODUCT STRATEGIES*

##### Small Unit And Low Priced Packing

In the strategy of keeping the low priced packed the objective is to keep the price low so that the entire rural community can try. Consumers of rural areas prefer to buy the small size product due to their cheap prices for example, pickles, shampoos, vicks, biscuits, surf etc. These are consumable products.

##### New Product Designs

A close observation of rural households items indicates the importance of redesigning or modifying the products. The manufacturing and marketing men can think in terms of new product designs especially meant for rural areas keep their lifestyles in new.

##### Sturdy products

Sturdiness of a product is an important fact either in terms of weight or appearance for rural consumers. The product manufacture for rural areas should

be durable and sturdy. People of rural areas like bright flashy colours such as red, yellow, blue, green etc and believes that products of such colours are more sturdy.

##### Brand name

Brand name is essential as a product identification for people living in rural areas with the help of logo or brand name, product can be easily remembered by the rural consumers.

#### *3. PRICING STRATEGIES*

Pricing strategy is also related with the product strategy. Some of these strategies are mentioned here.

##### Low Cost/ Cheap Products

Price should be according to the product. The aim of the manufacturer should be to produce the product at low price. The price of small unit packing should be low.

##### Avoid sophisticated packing

Simple packing of products should be adopted because it helps in reduction of cost of the product. Some innovation in packing technology is very necessary for rural markets.

##### Refill packs/reusable packaging

Refill packs or reusable packaging helps in lowering the price of the products. It has a significant impact on the rural market. In addition the packaging material used should be preferably lend itself for reuse in rural areas.

#### Application of value engineering

In this, the products are produced by substituting the costly raw material with the cheaper one, without sacrificing its quality and functional efficiency of the product.

The pricing strategy for rural market will depend upon the scope for reducing the price of the product to suit the rural incomes and at the same time not compromising with the utility and sturdiness of the product.

#### *4. DISTRIBUTION STRATEGIES*

Price Marketing is incomplete without distribution strategies. Most manufacturers and marketing men do have a distribution arrangement for village with a population of at least 5000 people. Marketing men have to formulate specific strategies for distribution in rural areas like the characteristics of the product, its shelf life and other factors have to be kept in mind. The distribution strategies formulated for the rural areas are co-operative societies, multipurpose distribution centers, public distribution, distribution up

to feeder markets/mandi town shanties / hat/melas/jathras, agricultural input dealers etc.

Cooperative plays a vital role in improving the marketing services in the regulated markets. These societies command only a small share of the total markets and do not present any challenge to the private trade at inmost places. The Gujarat cotton cooperative Marketing societies set a good example of vertically integrated markets. The non-governmental organizations can anchor a key role in conscientizing the rural people to form into cooperatives highlighting possible benefits without being exploited.

#### 5. PROMOTION STRATEGIES

Price Mass Media plays a vital role in Communication. Mass Media could be television, cinema, print media like newspapers or journals, radio etc. Means of mass media can also be in the form of hoardings/wall paintings, shanties/ hats/ melas, non-price competition, special campaigns etc booklets, posters, stickers, hand bills, banners of the schemes etc are also included in the mass media. The best way to promotion of agricultural and other rural industries products is that the government should circulate pamphlets either to panchayati raj office or to schools where it can be documented for the reference. While making efforts to improve the marketing system within rural areas and the marketing of rural produce to other areas, we should predict the forces of globalization affecting the marketing forces.

#### IV. CONCLUSIONS

The study concluded that rural India offers huge opportunities which companies can tap for their development and growth. Literacy rate in rural areas is low so people are unable to identify difference. Due to illiteracy, people living in rural areas are unable to use modern farming techniques with the help of strategies like product strategy, pricing strategy, distribution

strategy and promotion strategy marketing conditions can be improved in rural areas and these leads to growth and development of the country and rise in GDP.

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