

STUDY ON THE FACTORS INFLUENCING FARMERS' ATTITUDE TOWARDS AGRICULTURAL MARKETING PRODUCE

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ABSTRACT

In India even today more than half of the population is involved with agriculture thus making it the primary and important activity. Since most of the Indian population still lives in rural regions, so for this reason agriculture and related activities constitute the major source of revenue. Nonetheless, irrespective of the government's numerous efforts, there is still a huge disparity between a farmer's actual investment and the return on investment. As a result, the purpose of this research is to investigate the numerous factors which impact farmers' attitudes about agricultural produce marketing. The study revealed that the majority of farmers belonging to the study region are low-income subsistence farmers who are more susceptible to agricultural hazards. Substantial farmers have better access to financing, but they do not contact financial institutions because of their large precautionary reserves.

Keywords: *agricultural produce, Agricultural Marketing, Farmers' Attitude*

INTRODUCTION

Agriculture is indeed a fundamental function that enables the human race to survive by supplying the necessary nutrients and minerals in the form of food grains. Agriculture, in addition to serving as a survival mechanism, primarily employs people and so contributes to individuals' economic aspirations [13]. Agriculture as well as its related activities provides a living for the majority of the Indian populace. This industry accounts for around 18% of the national Gross Domestic Product (GDP). As per the 2011 Census estimates, roughly 69% of India's entire population still lives in rural regions, with agriculture being their primary profession. As a consequence of these conditions, per capita income is lower, and there is a huge disparity between the non-farming and agricultural sectors [6]. Therefore, factors affecting farmer levels of income must be remedied. Farmers' income levels are governed by overall output, which in turn is supported by productivity levels and profits made from selling the produce. The practice of cultivating and selling the product is not as easy as it appears to be [17]. A large number of external factors function as a barrier and obstruct the process. Climatic factors like changes in weather, a delay in the rain, and decreasing soil quality are the major influencers. Furthermore, market-related considerations do play a crucial role in inhibiting the process. Farmers' income levels are impacted by impediments

such as bad market circumstances, lack of understanding of the supply chain, and ineffective distribution channels. Particularly, referring to fruits and vegetables, which are mostly marketed thru a controlled Agriculture Produce Marketing Committee (APMC) or by completely unrestricted local fruit and vegetable markets. The use of such traditional methods renders the marketing process difficult since little emphasis is devoted to grading, storing, and sorting [2]. Furthermore, poor control as well as management when shipping the stock leads to a loss of 30-40% of the total production. Due to the involvement of numerous parties, multi-layered supply chains are employed, which in turn has severe consequences on farmers' revenue since the price and quality of output are not primarily regulated by the farmers. Compared to the conventional market, organized retail and supply chains are more well-coordinated. As a result, agricultural produce marketing is critical for offering appropriate remunerative marketing options. Thus, marketing channels and strategies play a critical role in increasing farmers' revenue while also assisting in the provision of a balanced yield price by giving accurate market information.

Rice and wheat are largely sold in India through authorized wholesale marketplaces. The Agricultural Produce Marketing (Regulation) Act, which was approved by several states in the late 1960s and late 1970s, laid the groundwork for the establishment and functioning of these wholesale marketplaces. One of its primary characteristics was the prohibition on the selling of notified items other than the authorized marketplaces. With the development of agriculture, these marketplaces have proliferated throughout time, although the average area handled by a single wholesale market remains enormous. The national average of a region covered by a regulated market in 2010 was 400 km. Concerns have been expressed regarding the Agriculture Produce Market Committee (APMC) regulated market structure, which has not been able to serve the interests of farmers, in addition to a perception that expansion in regulated markets has not managed to keep up with demands. According to the Model APMC Act 2003, the "monopoly of Government regulated wholesale marketplaces has impeded the establishment of a dynamic market structure." The need that all market participants' i.e. buyers and sellers be licensed acts as a deterrent for new market entrants [3]. This model legislation expressly permitted private actors to establish marketplaces with the hope that the marketing structure and processes as a whole might strengthen. It also permitted private sales via farmers' markets or agricultural credit. Parallel developments include the resumption of futures trading and the easing of rice and wheat export restrictions [19]. The model act's administration has not been consistent among states. One of the disputes regarding its adoption was whether the reforms would benefit farmers [25].

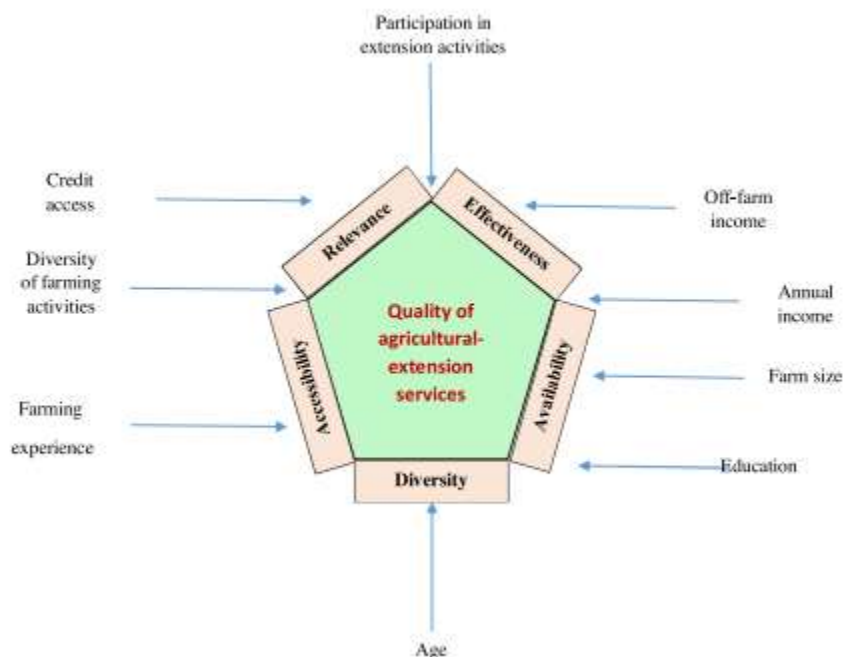
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Factors of Socioeconomic Status Farmers use a variety of risk management methods to manage their crops. [27], for example, revealed that farmers employ precautionary savings and divestments as risk management measures to deal with flood hazards. Diversification beyond farming

activities, migration, crop diversification, and different crop timing, irrigation, water preservation techniques, and new plant varieties, adoption of new technologies, agricultural credit, and crop insurance are also some of the common strategies which farmers use to protect themselves from climate-related risks [4]. Similarly, spreading sales and advance contracts are examples of farm-level agriculture risk management techniques [29]. Several socioeconomic factors are said to impact the adoption of risk management methods in research studies. These factors include age [27] education [9], farming experience [15], family size [27], income, landholding size [28], proportion of owned land [29], and health status. We also included the distance from the riverbank and the amount of agricultural labor. [30] Utilized self-perceived health status as one of the explanatory factors in the study to examine how health status influences decisions making with regard to the implementation of risk management techniques [11; 24]. Regarding farmer age and experience, it is predicted that with age and experience, farmers' inclination toward employing risk management methods also simultaneously increases [8; 9]. Education is also predicted to have a favorable impact on agricultural credit adoption. Educated farmers can make better agricultural management judgments in comparison to uneducated farmers [9; 14]. Flood risk perception, heavy rain risk perception, and risk attitude are predicted to have beneficial impacts; similarly, when risk perception rises, farmers become more motivated to use agricultural loans, as is the case when they are risk-averse [27;28]. Furthermore, [26] discovered a correlation between family size and landholding size when it comes to risk management techniques. Adoption of risk management methods is negatively related to the amount of land owned [29]. An abundant supply of labor at the farm level enables farmers to manage their farms, however, this proportion of field labor is predicted to have an adverse correlation with the implementation of agricultural financing. Similarly, health status is predicted to have a significant negative relationship since farmers who have pretty good health are less willing to take agriculture loans and hence undertake greater risks. Access to official and informal credit sources is predicted to have a positive association with credit adoption since increased access to these sources leads to credit adoption [27]. Indeed, the reality behind farmers' actual satisfaction with the agricultural-extension services necessitates addressing the determinants that affect it. Previous research in this area examined a variety of factors that may influence satisfaction, including socio-demographic factors, the amplitude of extension contacts and participation throughout extension activities, the use of multiple methods of communication, as well as the purported functional properties of information.

In terms of socioeconomic features, in detail, we have discussed how personal and farm factors (age, education, farming experience, distinctiveness of farming activities, land ownership, total revenue, access to credit, off-farm income, and involvement in extension services) could actually impact farmers' fulfillment with agricultural advisory services, as shown in Figure below. The significance of age and agricultural experience as predictors of farmer happiness is unclear. As per [32], small - scale farmers are much less pleased with extension services in comparison to large-scale farmers, which can also be attributed to differences in farming experience. Fairly young

farmers, however at the other end, are generally seen as more adaptable and eager to deal with a new or creative activity owing to aversion to risk, whereas elderly farmers may be more hesitant to incorporate advancements in their farmland.



Education enables a person to increase his resources and capacity to attain goals. Moreover, it increases their understanding of options as well as the benefits to be gained from the performed actions. Literacy, as highlighted by [33], is required to maximize the value from extension messages. In simpler terms, the better farmers' educational background, the more intelligently they use extension services. Furthermore, [34] and [35] discovered that the higher the farmers' education level, the more likely they are to be satisfied with extension services. As a result, we conclude that farmer's contentment is favorably influenced by education level.

Production diversity is a significant predictor of satisfaction. [10] In this study reported that an increase in the kinds of agricultural activities administered by farmers increases the likelihood of satisfaction with extension services. Farmers who generally engage in a variety of farming activities (animal husbandry, crops, food-processing firms, vegetables, fruits, crops, and so on) are more inclined to obtain extension services to mitigate agricultural hazards [36]. In accordance with this logic, we hypothesize that farmer satisfaction with extension services is favorably influenced by production variety.

Besides personal and farm characteristics, involvement in extension activities is also a key predictor of satisfaction. The employment of diverse communication strategies influences farmers' opinions regarding extension services in a favorable and substantial way. In this context, [35] claimed that perhaps the recurrence of periodic extension contact allows farmers to understand and

debate in depth about new innovations, which favorably influences their contentment as a result of their exposure to them and their decision to adopt. Thus, extension workers should use a variety of extension approaches to enhance programme efficiency, efficacy, and consumer satisfaction [37]. Furthermore, extension workers must comprehend interpersonal relationships and the participative extension strategy, as well as improve their ICT abilities, in order to promote farmer satisfaction. In accordance with this logic, we argue that farmer satisfaction is favorably influenced by involvement in extension activities.

EFFECTS OF REGULATION OF AGRICULTURAL MARKETS

There are opposing perceptions throughout the country regarding the outcomes of agricultural market regulations. Since sales are conducted by auction inside a specified framework, regulated markets are seen to have provided farmers with a better bargain [1]. Regulations also played an important role in establishing self-sufficiency in food production by providing farmers with a marketing platform [18]. Market restrictions, at the other end, are said to have generated inefficiencies, limiting chances for farmers to achieve remunerative returns and discouraging the private sector from participating in them. Rent seekers have emerged as major actors in the marketing environment. As a result, the price discovery mechanism in the country remained inefficient, as seen by the diversity in agricultural commodity prices across market segments [7].

The efficacy of India's regulatory structure is not as par by international standards. According to a recent Study By the World Bank on enabling business of agriculture (EBA) ratings, India ranks 54th out of 101 nations (World Bank 2019). The EBA score is determined by numerical variables such as seed supply, fertilizer registration, water security, machinery registration, livestock maintenance, plant health protection, food trade, and access to financing. The calculation indicates how well the regulatory system meets the requirements of farmers. Furthermore, the rank is correlated to development results - a higher rank is linked to reduced poverty rates and greater food security. India's ranking reflects the ineffectiveness of its regulatory structure.

Partial implementation of the Model Act 2003 provisions is suggested as a cause for the perpetuation of ineffective agricultural markets [5]. There is widespread agreement that the agricultural marketing system in India need radical change if farmers' interests are to be protected. It is believed that removing restrictions will promote competitiveness in agricultural markets, resulting in higher farm prices and incentivizing greater production [16]. In this framework, we are assessing the efficacy of the new farm legislation.

LITERATURE REVIEW

The literature, reports, and records available on the selected topic reveal that few studies are being conducted in the field of agricultural marketing and rural advertising particularly over the years. Many research institutions, analysts, and academics have produced a massive quantity of research

studies on agricultural produce marketing. Furthermore, way before the country's independence, the government had already carried out a number of inquiries. Some of the research projects are examined and summarized below.

[2] undertook a research on the implementation of agricultural market committees, breaking down many factors such as aims, organization, functions, characteristics, benefits, membership, and sources of financing. Moreover, the researcher identified the disadvantages of agricultural market committees and suggested some corrective steps to overcome these constraints. The study attempted to examine rural agriculture marketing in terms of its degree, potential, breadth, and methods. It also discussed certain challenges, such as the lack of employee training measures, high operational and maintenance expenses, and high attribution rates, which limit these organizations' ability to cope with previously established brands in the market.

[19] Emphasized on assuring the accuracy of price discovery, weighing, regularity, and packaging. In addition to the foregoing, the investigation found that, also the price discovery and weighing regulations, the health and cleanliness of the consumers were also taken into account while developing the regulations. The agricultural marketing directive, on the other hand, is a federal issue and so displays inconsistency while implementation. Lastly, it was suggested that a systematic system for carrying out marketing acts, regulations, and instructions be devised.

[20] Highlighted all those latest developments that favored agricultural marketing. It was proposed that if farmers are eager to switch from food to cash crops, then structural marketing difficulties should be addressed. Furthermore, the investments made by private sector in the agricultural sector, which were previously below the projected level, should be increased. Commodity Boards should be created to address difficulties related to the production, manufacturing, and distribution, while also providing a wide range of services.

According to [23], the emerging internal obstacles should be dealt harshly and with great care. He also stated that those elements of guiding principles that prevent direct communication between farmers and agro-industries should be reconsidered. There ought to be a unified market throughout the globe that benefits both agricultural and industrial production and encourages agro-industry collaboration. As agriculture is such an important industry, it must be given the attention it deserves. Furthermore, agricultural research, extension, and training need far more sophisticated thinking.

The primary objective of [22] study was on the facilities necessary for agricultural produce marketing in order to achieve the desired results. According to the research, farmers must be provided with some basic amenities, such as storage for their commodities, so that they can hold onto their production in order to obtain higher pricing during the off season. Cheaper transportation must be made accessible so that farmers may carry extra food to market instead of dumping it in the community. They must be provided with statistics on market decision costs. The number of

mediators must be restricted with the objective of reducing the agent's benefits while increasing the earnings of the rancher.

[13] Researched the agro processing industry, which had a mean technical efficiency of 42.5 percent and a mean scale efficiency of 81.7 percent. Beverage companies outperformed food manufacturers in terms of profits. Profits were highest in the food production sector, especially in meat processing businesses. Baking and milling companies, on the other hand, fared the worst and suffered massive losses. A reindustrialization programme should be introduced that will supervise the progress of current technologies, limit construction and foundation development, as well as bring about changes in the administrative system.

[12] Studied the consequences of climate change on smallholder farmers in terms of agricultural technologies such as optimum fertilization, conservation agriculture, crop rotation, drip irrigation, and so on. To assess the reduction in agricultural productivity, a biophysical economic modelling approach was utilized. The research advocated extending the adoption of intensive farming and preservation agriculture to at least 12% of total cultivated area to improve the well-being of smallholder farmers. The study also indicates that farmers' incompetence to maximize land usage has a greater negative impact on wellbeing than climate change. This indicates that crop and technological optimization may be more important than just adapting to climate change in boosting farmer welfare.

CONCLUSION

The study focused on a variety of components that affect farmers' attitudes regarding agricultural marketing produce. As per the study majority of farmers in the study region are low-income subsistence farmers who are more susceptible to agricultural hazards. With regard to informal credit sources, most of them have less access to formal financial services. Despite having greater accessibility to financing, big farmers do not seek financial institutions due to their substantial precautionary reserves. As a consequence, future research in nature may be done with a bigger and more diverse sample in order to generalize the results and account for greater cultural heterogeneity. Thus, serious consideration may be given to generalizing the findings to different cultures.

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