ROBUST AGRICULTURE MARKETS

Stronger Farming Community

Marketing of agricultural commodities determines the profitability of the agricultural operations. Agriculture has emerged from being a simpleton activity that surrounded the primary centers of production to an activity with longer and wider connect. Today, in a more business oriented approach, products are raised for markets and hence the determinants influencing production also encompasses factors that dictates market preferences. Although traditionally, agriculture marketing is considered as the sum of the entire activity downstream of cultivation, today market demands play a crucial role in the cultivation aspects as well. Choosing a crop, a variety, pesticides, fertilizers etc., all have a direct bearing on the marketing and hence it is chosen according to the taste of the market. So agricultural marketing has broadened blurring the boundaries that demarcates different operations in agriculture and has become the broadest and the biggest entity in agriculture.

Agriculture Markets of India

In India, marketing of agricultural commodities has been promoted through a network of regulated markets. Most state governments and UT administrations have enacted legislations to provide for the regulation of agricultural produce markets. The purpose of state regulation of agricultural markets was to protect farmers from the exploitation of intermediaries and traders and also to ensure better prices and timely payment for their produce.

Agricultural Markets in most parts of India are established and regulated under the State Agricultural Produce Market Committee (APMC) Acts. Accordingly, the State is divided and declared as a market area wherein the markets are managed by the Market Committees constituted by the State Governments. Once a particular area is declared a market area and falls under the jurisdiction of a Market Committee, no person or agency is allowed freely to carry on wholesale marketing activities. Apart from Kerala, Jammu and Kashmir, and Manipur, all other states have enacted marketing legislations known as APMC Acts.

Over a period of time, these established markets became restrictive and monopolistic markets, providing no help in direct and free marketing, organised retailing and smooth raw material supplies to agro-industries. Exporters, processors and retail chain operators cannot procure directly from the farmers as the produce is required to be channelised through regulated markets and licensed traders. There

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is, in the process, an enormous increase in the cost of marketing and farmers end up getting a low price for their produce. Monopolistic practices and modalities of the state-controlled markets have prevented private investment in the sector. Eventually, the marketing channels for agricultural produce became longer and non remunerative for farmers. On an average, four to six transactions take place before the produce reaches consumers from the point of sale by producers increasing the price spread between consumers and producers.

Although the Centre passed a model APMC Act in 2003, it is yet to be adopted by the state governments. The model legislation provides 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. Provision has also been made in the Act for constitution of State Agricultural Produce Marketing Standards Bureau for the promotion of grading, standardisation and quality certification of agricultural produce. This would facilitate pledge financing, direct purchasing, forward/future trading and exports.

As a further refinement to the existing scenario of agri marketing in India, the government in 2016 announced unification of agricultural markets nationally. Prime Minister, Narendra Modi launched India's National Agriculture Market (NAM) on April 14, 2016 coinciding with AmbedkarJayanthi. The NAM offered to be a single platform to carry out marketing activities between farmers and traders. NAM explored the possibility of unhindered trade between farmers and traders of different states, different market areas, different languages through a common e marketing platform. The middle men who formed the core of the mandis and their hefty commissions which were the norm of the mandi markets was to be eliminated and the complete bargaining power was transferred to the farmers. They were linked up electronically via a kiosk or their phones, fixed the trade and materialized it with the click of a button.

The e-NAM platform—a key initiative of the National Democratic Alliance government's promise to double farm incomes by 2022—promises to connect 21 mandis from eight states in the first phase. With the initiative, the centre is aiming to bring 585 mandis across India on to the platform by March 2018. The eight states that will be part of the platform in the first phase were Gujarat, Telangana, Rajasthan, Madhya Pradesh, Uttar Pradesh, Haryana, Jharkhand and Himachal Pradesh. The platform traded 25 crops, including wheat, maize, pulses, oilseeds, potatoes, onions and spices.

Further, in 2017, the government proposed a model law on agricultural marketing which would introduce features such as a single market within a state, private wholesale markets, direct sale by farmers to bulk buyers, and promotion of electronic trading. The draft law proposes to cap market fees and commission charges payable by a farmer after bringing produce to a wholesale market, and help create a national market with provisions for an inter-state trading license. Under the new model law, traders will be able to

eNAM
Uttam Fasal Uttam Enaam

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transact in all markets within a state by paying a single fee and sell perishables such as fruits and vegetables outside existing mandis (wholesale markets). The states will be free to adopt portions or the entire model act as agricultural marketing is a state subject and the centre can only advise states to free up agricultural trade. The new model act replaces an earlier model act proposed by the Centre in 2003 which the states were reluctant to adopt. Further, under the model law, while existing market committees will help develop marketing facilities, all regulatory powers will lie with the office of the director of agricultural marketing in the state, who will also issue licenses to traders and new private players. A cap on levy of market fees at 2% (of sale price) for fruits and vegetables and 1% for foodgrains have also been proposed.

The Alternate Models of Market Contract Farming

Contract farming which arise from an agreement between processing and/or marketing firms for production support at predetermined prices has been proved as a workable model in Indian agriculture. It is emerging as a viable solution considering the increasing demand for more standardized, higher-quality agricultural produce and the difficulty of underdeveloped supply chains and small farm sizes to meet this exceeding demand.

PepsiCo was one of the earliest promoters of the contract-farming model in India. The company initiated a tomato processing plant in Punjab in 1989 where they tied up with local farmers to grow tomato varieties needed for ketchup. Encouraged by the sweeping success of contract farming in tomato in several districts of Punjab, PepsiCo has been successfully emulating the model in food grains (Basmati rice), spices (chillies) and oilseeds (groundnut) as well, apart from other vegetable crops like potato. The company, which had been involved in the export of Basmati rice since 1990, was the first processor in India to invest and strengthen backward linkages for Basmati rice. Similarly, PepsiCo planned a foray into contract farming in groundnut with the farmers of Punjab with the objective of producing export-quality, value-added groundnut such as roasted and salted peanuts, flavoured and coated peanuts, and peanut butter.

Since then India has been a hotspot for contract farming. Many new companies entered and seized the excellent opportunities of contract farming. Appachi Cotton Company (ACC), the ginning and trading house from Pollachi (Coimbatore district of Tamil Nadu, India) in 2002 integrated about 600 farmers belonging to various districts of Tamil Nadu on a holistic plank to grow cotton. The contract assured the farmers easy availability of quality seeds, farm finance at an interest rate of 12% per annum, door delivery of unadulterated fertilisers and pesticides at discounted rates, expert advice and field supervision every alternate week, and a unique selling option through a MoU with the coordinating agency (ACC). This is the first time ever that a cotton farmer in India has been forwardly integrated to the consumer textile industry. By integrating backward and forward with the producing and the consuming communities, ACC has attempted to address all the existing maladies of the cotton supply chain.

Belgaum (Karnataka)-based Ugar Sugar Works Ltd., which established a successful backward linkage with farmers of Northern Karnataka for supply of barley for its malt unit, is another success story. It introduced barley in a traditionally sugar growing area quite successfully and farmers derived excellent benefits from it.

Contract farming, the tried and tested model of agriculture marketing can iron out many inequities existing in the supply chain. Easy access to inputs, knowledge and market will make it easier for farmers to use their land sensibly and sustainably. Absence of middle men and shorter supply chain elevates the chances of income enhancement. In the recently concluded World Food Summit, Prime Minister Narendra Modi extolled the virtues of contract farming and his confidence in the model is evident from his words, “Private sector participation has been increasing in many segments of the value chain. However, more investment is required in contract farming, raw material sourcing and to create agri linkages. Many international companies in India have taken a lead in contract farming initiatives. This is a clear opportunity for global supermarket chains to consider India as a major outsourcing hub.”

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Farmers’ Markets

Small and marginal farmers are constrained by scale of operation which perpetually adds to the woes of marketing. Collective marketing where the famers pool their produce puts them in an advantageous position. Cooperatives, farmer producer organizations have all been successful in deriving the

expected results.

ApniMandi in Punjab, Rytu Bazars in Andhra Pradesh, dairy co-operatives are some of the successful cases in direct marketing. The real challenge lies in organising the small and marginal farmers for marketing and linking them to high value agriculture. Thus, group approach is needed for getting benefits from marketing. Small farmers can also benefit from the emerging super markets and value chains if linked effectively. ApniMandi scheme provides self -employment to the producers and also remove the social inhibition among them for retail sale of the produce.

A similar concept under the moniker - Rythu Bazars was established in the year 1999 by the Andhra Pradesh government. Rythu Bazar was developed to facilitate direct marketing between consumers and farmers. Rythu Bazars serves as the interface between farmers and consumers eliminating intermediaries in trade, in the process securing remunerative income to farmers and fresh vegetables and fruits to the consumers at reasonable rates.

Hadaspur vegetable market in Pune and Uzhavar Mandies in Tamil Nadu are other examples of farmers' markets which work on similar lines. In these markets, farmers enjoy better marketing infrastructure free of cost and receive considerable higher prices for the products than what they receive from middlemen at villages or primary markets at town. Farmers also get good quality seeds and other inputs in the market itself.

Collective Marketing

Cooperatives were another alternative that were initiated to address the problem of the small scale of operation of small and marginal farmers. The Cooperative movement in India is one of the largest movements in the world, with a legacy spanning over a century. The Cooperative movement was introduced in the country primarily to free the farmers from the clutches of money lenders. Thus the first Cooperative Credit Societies Act of 1904 was passed with a focus on freedom for farmers from debt burden. Later on different types of cooperative societies operating in India with different activities were formed such as Production Cooperatives, Marketing Cooperatives, Service Cooperatives and Allied Service

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Cooperatives.

Marketing cooperatives were established to provide marketing facilities to small farmers. These cooperatives were supposed to increase bargaining strength of farmers, remove intermediaries and facilitate direct interaction with consumers. The added advantages of availing cheaper credit and transport, storage facilities, grading and processing of agricultural produce also propelled the establishment and their growth. While discussing the marketing cooperatives, dairy cooperatives emerge as a perfect example of the success they can achieve.

In 1946, the milk producers went on a strike, which led to the setting up of the Kaira District Cooperative Milk Producers' Union Ltd. in Anand. Under this Union, cooperatives were formed at every village to collect surplus quantities of milk from small producers and a modern dairy was established to process the milk locally. The products were sold under the brand name Amul since 1955. The success of this dairy soon spread across the neighbouring districts of Gujarat. To support these Dairy Federations and to expand the activities, the Gujarat Cooperative Milk Marketing Federation, an apex marketing body was set up in 1973. To replicate the successful Anand pattern of dairy cooperatives, the National Dairy Development Board (NDDB) was formed. The Government of India further protected the cooperative dairy sector, by restricting the milk processing exclusively to cooperatives. Presently, 170 Milk Producers' Cooperative Unions and 15 State Cooperative Milk Marketing Federations are involved in milk processing. However, many of these dairy federations could not function successfully, in the true spirit of a people's movement, barring a few states. Nevertheless, the dairy cooperatives account for the major share of processed liquid milk marketed in the country.

Farm producer organisations (FPOs) are emerging as a new model for organised marketing and farm business. Such models include informal farmers' groups or associations, marketing cooperatives, and formal organisations like producers' companies. Producers can benefit by getting together to sell their produce through economies of scale in the use of transport and other services, and raise their bargaining power in sales transactions, while marketing expenses get distributed. This results in a better share of net returns. Such models are particularly required for small farmers to overcome their constraints of both small size and modest marketable quantities. Aggregating producers into collectives is now universally accepted as one of the most effective means of reducing the risk in agriculture and improving the access of small and marginal producers to investments, technology and markets. Several thousand farmer producer organizations (FPOS) exist across the country, registered under various statutes such as the cooperative laws, trusts, federations, and lately under the Companies Act as producer companies.

Digital age of Agri Marketing

The last few decades have seen technology influencing every singly aspect of human life. Health, transport, communication - every sector has imbibed the advantages from technology development and transformed in due course. However, agriculture sector remains largely detached from this technology revolution and some may aver that e-agriculture is a dream that will take considerable time to materialize in the Indian agriculture scene.

While the power of internet can be utilized to influence agriculture marketing in the country, it is yet to become a routine. The Ministry of Agriculture has launched the ICT based Central Sector Scheme of Marketing Research and Information Network in March 2000. This provides electronic connectivity to important wholesale markets in the country for the collection and dissemination of price and market-related information. The scheme was implemented in the year 2000-2001, and presently, more than 3,000 markets from all over the country have been linked to a central portal (http://agmarknet.nic.in). These markets report the daily prices and arrivals for more than 300 commodities and 2,000 varieties from more than 1,900 markets covering nearly all the major agricultural and horticultural produce. The information on arrivals and prices are disseminated in 12 regional languages.

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Besides, this private sector has started to take a keen interest in delivering vegetables and fruits to the consumers through online portals. Mumbai based online groceries portal Fresh n Daily, Chennai –based Veggibazaar.com and Bangalore based Vegwala.com are examples of online services catering to the urban market by procuring products directly from the farmers.

In the absence of a dedicated marketing channel in the country for certified organic farm produce — cultivation of which is thinly distributed across the country — the proposal is expected in boosting farmers' income and helping firms like Amazon, BigBasket and Grofers maintain steady supply of these food items

Sensing this opportunity, the agriculture ministry is discussing a proposal to help organic farmers' organisations tie up with e-commerce companies especially for the sale of organic products. In the absence of a dedicated marketing channel in the country for certified organic farm produce — cultivation of which is thinly distributed across the country — the proposal is expected in boosting farmers' income and helping firms like Amazon, BigBasket and Grofers maintain steady supply of these food items.

Trading Internationally

Indian agriculture's excellent production record post green revolution had elevated India's stand in the world market. India's share in global farm/ food exports and imports is around 2.07% and 1.24% respectively. Thus, India is a net exporter of agricultural products. In terms of global agricultural and food exports, India's rank is 10.

The largest export product in farm sector in India is Basmati Rice; while largest import product includes edible oils. Place of marine products comes only after Basmati rice in India's farm exports. India is one of the leading exporters of some farm products such as tea, sugar, oilseeds, tobacco, spices and products with agricultural content (jute, cloth and sugar products). In recent times, Buffalo meat and Guar gum exports have seen significant volume growth in exports of India. Further, the share of processed food such as mango pulp, dried & preserved vegetables, meat and poultry items has also increased.

However, India's agricultural exports have declined to $33.87 billion in 2016-17 from $43.23 billion in 2013-14 owing primarily to low commodity prices prevailing in the international market. However, import of agricultural commodities

‘The government should come out with policies supporting the new age entrepreneurs’

Subrata Mondal, MD & CEO, Pick N Serve Foods Pvt Ltd.

“With 1.2 billion population, India itself is one of the largest fresh produce markets in the world. Within next 10-15 years’ time, we might as well adopt the marketing models of the developed world. The days are not far ahead that we have to source for our own need from other countries like many of the fruits and vegetables like apples we do now.

Nevertheless, India enjoys several advantages in being a fruit exporter. Nearness to the gulf countries where fruits cannot be grown puts India in an advantageous position. Also, Indian climate is very much for year round growing and exporting of fruits all over the world. Fruits like Pomegranate can b grown throughout the year and their unique taste and colour with bright red arils and skin has earned the reputation of being the best in the world. The production cost is comparatively lesser. India enjoys better scope for air shipment to Europe & Asia and the volume can be tripled within 5 years period.

Contract farming can give better chances in increasing the flow of commodities to the international market. However, there is no contract farming in India in its true sense, except in Gherkin and in some cases with vegetables. All other farming modes are either pseudo or partial contract farming mode. Contract farming in its true sense has huge potential for both farmers and companies in India but almost impossible to implement at the ground level for majority of the crops except very few.

The world is going to be very tough in the days to come regarding pesticides level. We have started getting higher and higher level norms every year on exportable fruits and vegetables from the importing countries along with temporary ban for not meeting the standards. We have to develop new molecules which would be equally be effective for pest and disease control on fresh fruits and vegetables but while harvesting there would be no residue level. Many companies have started working in those areas and also getting successful.

Apart from this India should concentrate on grading, sorting and branding. India is at its nascent phase for all of these activities. Regional players focusing majorly to urban markets have started getting success nowadays but their volume is negligible. We will be able to see national players within next 3-5 years working with sorting, grading and branding in different fruits and vegetables.

Government polices also influences agriculture marketing. For instance, demonetization has surely hit the fresh fruits and vegetables sectors largely in domestic front due to its nature with cash transaction. The government should come out with policies supporting the new age entrepreneurs who contribute much more on the job creation and can be largely scalable and sustainable”.

(including plantation and marine products) in 2016-17 rose to $25.09 billion from $15.03 billion in 2013-14. Our staples under the import category – oilseeds and pulses – showed a different trend this year.

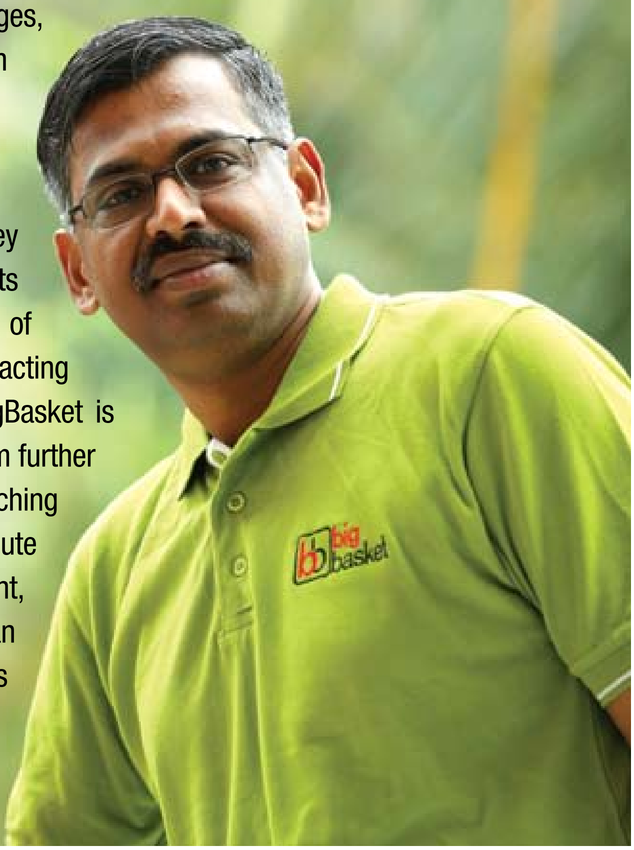
Agri exports are good avenues for increased incomes. A report prepared by a not-for-profit organization, Center for Environment and Agriculture (Centegro) emphasizes the need to raise India’s share in global agri exports to increase farmers’ income automatically. The report was prepared in association with experts from Tata Strategic Management Group. The report stresses the need to quadruple India’s agri and allied exports by 2022, if the farmers’ income has to be doubled. Incidentally there is enough space for India to attract a fair share of global market space. The World Trade Organisation (WTO) estimates global export in agricultural products at over $1,500 billion annually of which India’s share stands at less than $35 billion. By participating in the international market, India can efficiently handle excess production thereby preventing fall in domestic prices.

The tapering trade deficit is a worrying trend and shows the unhealthy trend that India is espousing for short term gains. Experts aver that to double farmers’ income by 2022, our strategy should be to increase consumption in the domestic and foreign markets. The domestic consumption, however, is robust considering the increasing population and improving living standards. Our focus should be to develop foreign markets and increase our share in the international market. Once a wider market is established, farmers are motivated to increase their production by resorting to better inputs and technology. The government should encourage exports and hence devise policies that would enable them to do so.

Agriculture marketing is today one of the most important agriculture operations. Minimizing the length between the farm and fork is an ideal solution for increasing farmers’ income and assuring consumers’ satisfaction. With suitable support from logistics and cold chain sectors, agriculture marketing can enhance the income prospects of the Indian farmers.

'MODERN RETAIL - A CATALYST TO MODERNIZE THE PERISHABLE SUPPLY CHAIN IN INDIA'

bigbasket.com (Innovative Retail Concepts Private Limited) is India's largest online food and grocery store. With over 18,000 products and over a 1000 brands they deal with fresh Fruits and Vegetables, Rice and Dals, Spices and Seasonings, Packaged products, Beverages, Personal care products, Meats etc. bigbasket.com provides an easy relaxed way of browsing and shopping for groceries as against the drudgery of grocery shopping. With headquarters in Bengaluru, they have broken the myth that that e-commerce will not work for FMCG. They have grown slowly and steadily, with negligible discounts and a strong business model. BigBasket today boasts of over four million registered customers, 2.5 million transacting customers and sales of Rs 150 crore per month. BigBasket is today present in over 25 cities, and is shifting focus from further expansion to deeper penetration. Of the revenue, touching close to Rs 1,800 crore, fruits and vegetables contribute 18 percent, BigBasket staples contribute to 15 percent, branded staples 20 percent and FMCG 45 percent. In an interview with Agriculture Today, Vipul Mittal, Head Fruits & Vegs, Bigbasket.com discusses the agri-marketing scene prevailing in India and how ammendments can be made to the existing situation.



How has the retail chains changed the Indian marketing scene for perishables?

Modern retail – both online as well as offline has been a catalyst to modernize the perishable supply chain in India. These businesses being large & consumer facing, demand consistency in quality for their fresh produce. Thus, the supply chains fulfilling these retailers are evolving in terms of post harvest management, cold chain as well as packaging to meet the demands of the modern consumer. They have expanded the geography as well as season for many of the perishables, by bringing in the power of aggregation as well as technological intervention.The layout of modern stores have also helped in expanding the consumer offerings as it allows the consumer to make wider choice of assortment & experiment with newer cuisines. The phenomenal growth of kiwi, Thai Guava&Dragon Fruit, in recent times is a case in point. This is opening new avenues for farmers as well to focus on crops which hitherto were grown only on the 'fringes'.

How have the retail chains benefited the farmers in getting better returns?

The retail chain help in aggregation of demand. Thus, it lends itself to the opportunity of 'dis intermediation'. This brings its own price advantages for the farmers. Also, as most of these organized trade is through employees, they rely on established processes which hinge on transparency. The discretion in price fixing is reduced to the minimum possible. There is also larger transparency around weighing & payments.

Has the arrival of retails diminished the importance of APMCs in India? Do you think they are a viable model for Indian farmers today?

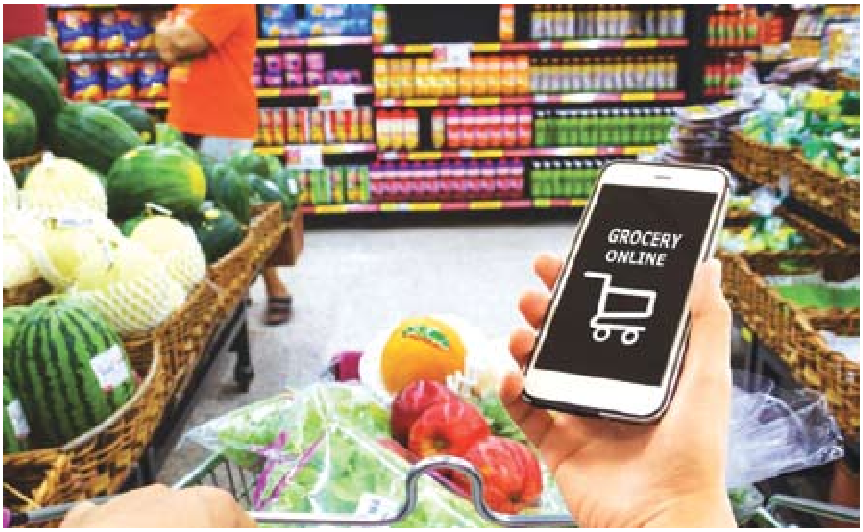
Not at all. The volume handled by the APMCs is still much larger as compared to the total modern retail put together. Thus, it still remains the most credible place for price discovery. The solution to my mind is to modernize & Professionalise the Mandis. They should be run as corporates rather than elected political institutions.

What role can private sector play in improving the marketing prospects of Indian agriculture?

Any credible difference can be made by a private sector, only if it has volumes on its side. Until & unless any organization has the wherewithal of selling a huge volume of any commodity, it cannot make any measurable difference. Hence, we cannot do away with the role of an honest market regulator in a market as fragmented as in India. At present, we see a clear lack of such regulator with muscle to intervene at the right time in the market to keep the prices within a band. The modern retail sector surely shall make the difference, but that may not be immediately large. However, further doing away with APMC laws which restrict competition may be a good idea.

What are the challenges involved in procurement of perishables from farmers?

The Quality standards need to be well defined and the farmers need to be trained to segregate the stocks accordingly. Lack of this, coupled with Price discovery mechanism is the biggest challenge. Then comes the lack of sorting & grading facilities. The packaging & transportation from the farm gate are the other big challenges we have.



How marketing can be structured to manage glut in the market?

Use of Information technology is the best bet to tide over the glut situations in the market & to prevent the same. Modern data connectivity should be used to capture the real time data on sowing as well as harvesting .This should throw more accurate forecast of harvest and market arrivals. Also this would help smoothen the geographical arbitrage &treat the entire nation as one 'Mandi'.

What are the prospects of e marketing in agriculture?

E-marketing is the future. As the smart phone and data connectivity penetrates through the hinterland in India, we would see the farmer utilizing it more and more. There are enough and more possibilities for input marketing to the farmers, knowledge dissemination and as well as marketing its output. However, establishing standards for quality and packaging shall be the key.

How much importance do the private sector lay on GAP and certifications?

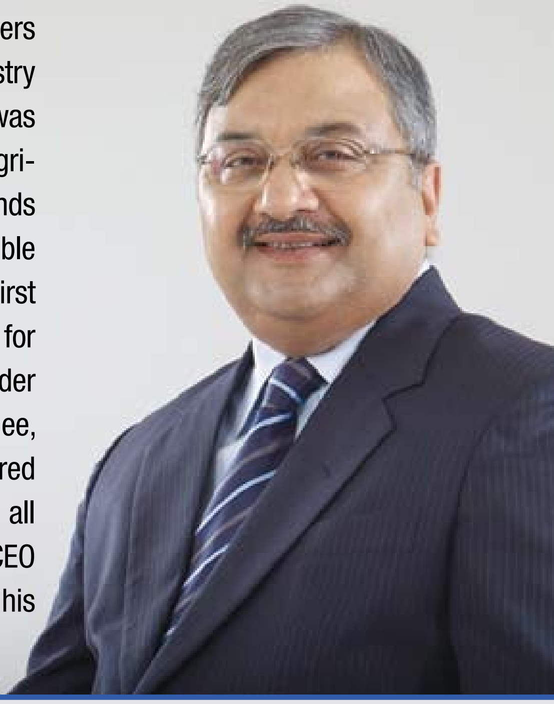
GAP and certifications shall create the next level of product differentiation and market segmentation. This shall be utilized by the leading businesses which have a consumer centric business to create value addition for the discerning consumers. However, 'Safe food' should be a must and not an exception, which only a few can afford. We need to move in a direction where all the perishable food sold in India is SAFE – whether residue free, organic, Gap, or any other definition.

What are the policy changes that you expect to see in the sector of agriculture marketing?

The government needs to focus on maintaining a healthy growth in prices year after year for the farmers. Our over concern on inflation is detrimental to the farmer's interest. The zealous argument of productivity enhancement, which is also detrimental to the environment, may not hold. The solution is to strike a balance. 'MIO – Market intervention operations' are a good way to solve this as has been shown in case of Milk & Edible oils. It ensures a remunerative price for the farmer & ensures affordable prices for the consumers. We need committed transparent autonomous bodies to make this successful as against the current conventional wisdom of 'privatization'.

'NEED OF THE HOUR IS PROACTIVE AGRI MARKETING POLICIES INSTEAD OF REACTIVE RESPONSES'

A joint venture incorporated in January 1999 between Adani Group, the leaders in International trading & Private Infrastructure with businesses in key industry verticals - resources, logistics and energy, Adani Wilmar Limited (AWL) was incorporated with a vision to be a global admired leader in integrated agri-business. Living up to this vision, the group has the largest portfolio of brands in the Indian edible oil industry.Adani Wilmar has a range of premium edible oils, vanaspati, packed basmati rice, pulses, soya chunks and also the first national brand in besan. It also has a range of customized specialty fats for institutional customers. The product portfolio of Adani Wilmar spans under various brands such as - Fortune, King's, Bullet, Raag, Avsar, Pilaf, Jubilee, A-Kote, Fryola, Alpha and Aadhaar. Recognized as one of Asia's 'Most Admired Brands & Business Leaders' 2015-16, Adani Wilmar continues to excel in all its businesses. In an interview with Agriculture Today, Mr. Atul Chaturvedi, CEO AgriBiz, Adani Wilmar, discusses the scenario of agriculture marketing and his suggestions to improve the same.



How has Indian agricultural markets evolved over the past decade?

The development of Indian Agri markets in the last decade has been very lopsided. On one side, our dependence on Agri imports has sky rocketed and on the other we continue to produce wheat and rice in excess of our requirements thus choking our storage and logistics systems. MSP induced production as opposed to demand driven has skewed our Agri Markets. It is a pity that our country now imports more than 15 million tonnes of Edible oils and about 6 million tonnes of pulses. Lack of organised development of Agri marketing has resulted in highly erratic price behavior in case of mass consumed items like pulses, onions and potato. Couple of years back the prices of these commodities went through the roof and once farmers responded by higher production prices collapsed to such an extent that in many areas farmers took to streets. It is a pity that even when our country suffers from excess production of any commodity we are still saddled with ESSENTIAL Commodities Act which inhibits stocking by private trade. It would not be wrong to say that ECA has been one of the biggest culprits in choking orderly development of our Agri markets. Need of the hour is Proactive Agri Marketing policies instead of Reactive responses. It would be better if policies were framed taking help of domain experts. We can start by burying ECA so deep that it does not rear its ugly head again.

Is the presence of APMCs relevant in today's India? Should it be revamped or replaced by another body?

APMC had a role to play in the past when our markets were very immature and flow of information was restricted. Stories of gullible farmers being cheated by unscrupulous traders were quite common. With communication revolution and spread of internet it is well-nigh impossible to dupe our peasants. In my view APMC in its present avatar has long crossed the

SELL BY date.Some progress has been made in the case of fruits and vegetables marketing in some States. Our Political masters would not like to easily give up the power which it gives them at the local Mandi level.My suggestion would be to give the option of using Mandi Yard, or not, to the farmers. If they feel it makes sense to sell through market yards they will do so or else they will sell directly to consumers. This will also ensure that either Mandis will shape up or will eventually shape out.

What role can private sector play to improve the marketing prospects of Indian agriculture?

Private Sector can definitely play a very important role in improving marketing prospects of Indian Agricultural produce. However, to make private sector seriously interested in investing we have to do away with laws like ECA, Storage Control Orders etc. You cannot expect Private Sector to play a big role with their hands tied and Inspectors with unlimited powers breathing down their neck. In times of excess production only private sector can help in marketing by stocking the extra production. If we do not involve Private trade it would be well-nigh impossible for government to defend MSP. Ease of doing business without fear or favour of Inspectors is the need of the hour.

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How significant is value addition in increasing the income of farmers and avoiding instances of glut in the market?

Increasing value addition would definitely go a long way in improving farmer's income. However, to attract Food Processors we should have long term policies and refrain from knee jerk reactions .Value addition in our country is woefully low at around 7% and we have a long way to go. Developing a robust Cold Chain is the need of the hour. Suitably incentivizing Cold Chain development should be pursued. As part of ease of doing business government should ensure release of subsidies timely to ensure projects don't go belly up.

What are the prospects of e marketing in agriculture?

Honestly speaking I am not a great believer in E marketing of Agri Produce at this point in time .To me it is still work in progress and it would be years before we see serious action in E marketing .In Indian context where the average land holding is the size of a kitchen garden talking about E marketing to be a game changer seems a little premature.Unless we are able to consolidate our land holdings and bring in large scale farming the success of these initiatives would remain in doubt. One of the suggestions currently doing the rounds in policy making circles is land leasing concept. We welcome this as this will allow consolidation without the farmer loosing ownership of land. This will be politically acceptable as well.

How can GAP and certifications improve the income prospects of Indian farmers? How relevant and practical is it in India?

Certification is a desirable process as it helps bring in best practices. To start with it would be more relevant for export oriented commodities as international consumers are willing to pay premium. Indian consumer is also changing but at a much slower pace.Certification can get real recognition if it can help in product differentiation to the naked eye. Indian consumer is very smart and would be willing to pay more for quality product.

What are your thoughts on National agricultural market?

National Agricultural Market is a good idea –more so after implementation of GST. However, this should wait till such time our much needed marketing reforms are not undertaken. With 19th century laws, like ECA, APMC etc. still in place, talking about National marketing looks a little premature.Our Policy makers should focus on bringing required changes in our Agri Marketing Policies to usher ease of doing business or else our Prime Minister's dream of doubling farmer's income by 2022 would just remain a dream.