

# Marketing Agencies

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- 1. Farmers or Producers
- 2. Middlemen –
  - A. Merchant Middlemen
    - i. Wholesalers
    - ii. Retailers
    - iii. Itinerant Traders and village merchants
    - iv. Mashakhores
  - B. Agent Middlemen
  - C. Speculative Middlemen


- **D. Processors**
- **E. Facilitative Middlemen**
  - **Labourers**
  - **Weighmen**
  - **Graders**
  - **Transporters**
  - **Communication Agency**
  - **Advertising Agency**
  - **Auctioner**


- In the marketing of agricultural commodities, the following agencies are involved-
- **1. Farmers or Producers** : Most farmers or producers perform one or two marketing functions.
- They sell the surplus in the village or in the market.
- Some large farmers assemble the produce of small farmers, transport it to the nearby market, sell it and make profit. They perform the function of market middlemen.


- **2. Middlemen** : Middlemen in foodgrain marketing may be classified into 5 groups-
- **A. Merchant Middlemen-** They buy and sell on their own and gain or lose, depending on the difference in the sale and purchase prices.
- Suffer loss with a fall in price. Merchant middlemen are of following 4 types-
- **i. Wholesalers** – large quantities. Purchase from farmers or from other wholesalers. Sell to retailers, other wholesalers and processors.


- **ii. Retailers** – Buy goods from wholesalers and sell in small quantities to consumers.
- **iii. Itinerant Traders and village merchants** – move from village to village and directly purchase and purchase produce from cultivators. Sell in nearby markets. Finance.
- **iv. Mashakhores** – term used to big retailers or small wholesalers dealing in fruits and vegetables.


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- **B. Agent Middlemen** – Act as representatives.
  - A commission agent is a person arranges for sale of the produce, collects the price from the buyer, deducts the commission and remits the balance to the seller.

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- **C. Speculative Middlemen** – take the title to the product with a view to making a profit on it are called speculative middlemen.
  - Buy at low prices and sell in the off-season when prices are high.
  - Make profit in the shortrun and longrun.

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- **D. Processors** – Some processors employ agents to buy, store the produce and process it throughout the year on continuous basis. They also engage in advertisement to create demand for their processed products. They add form utility to agricultural commodities.

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- **E. Facilitative Middlemen** – Some middlemen do not buy and sell directly but assist in the marketing process. Marketing can take place even if they are not active, but efficiency increases when they engage. Receive fees or service charges.
  - **Labourers** – They physically move goods, loading and unloading, assist in weighing the bags.

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- **Weighmen** – They facilitate the correct weighing of the produce.
  - **Graders** – Sort out the product into different grades.
  - **Transporters** – assist in movement of the produce from one market to another.

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- **Communication Agency** – It helps in the communication of the information about the prices prevailing and quantity available in the market.
  - Newspaper, Telephones, Radio
  
  - **Advertising Agency** – Enables prospective buyers to know the quality of the product and decide about the purchase of commodities.
  - Newspaper, Radio, TV etc.

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- **Auctioner** – They help in exchange by putting the produce for auction and bidding by the buyers.

# Marketing Institutions

- Are business organisations which have come up to operate the marketing machinery, including formulation and implementation of rules of the game.
- FCI, CCI, JCI, Rubber board, Coffee board, Coconut development board etc.

Cooperatives and Associations

# Marketing Channels

- Marketing channels are routes through which agricultural products move from producers to consumers.
- **Moore** – the chain of intermediaries through whom the various foodgrains pass from producers to consumers constitutes their marketing channels.

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- At every stage of the marketing channel, one or other form of value (or utility) is added to the product. Hence, they are also called value chains.

# Factors affecting length of marketing channels

- Marketing channels for agricultural products vary from product to product, country to country, lot to lot and time to time.
- For eg., fruits and foodgrains.
- Developed countries and developing countries.
- Small farms and large farms
- After harvest and after few months.

# Marketing Channels for cereals

- 1. Farmer to consumers
- 2. Farmer – retailer or village trader – consumer
- 3. Farmer – wholesaler to retailer to consumer
- 4. Farmer – village trader to wholesaler – retailer – consumer
- 5. Farmer – Co-operative marketing society to retailer to consumer
- 6. Farmer – govt agency (FCI) – to fair price shop owner - consumer

# Some innovative marketing channels

- Marketing channels for farm products which are highly perishable (fruits, vegetables and flowers) should be as short as possible.
- Farmers directly selling to consumers will not only save losses but also increases farmers share in the price paid by the consumers.
- Therefore direct marketing is encouraged and some examples are-

- **1. Apni Mandi / Kisan Mandi-**

- Farmers sell their produce directly to consumers without involvement of middlemen.
- Price is considerably low. Fruits and vegetables.


- Objectives –

- 1. ensuring direct contact
- 2. increasing profitability for the producers
- 3. ensuring availability of fresh farm produce at reasonable prices

- 2. Hadaspar Veg Market
- 9 kms away from Pune. PMC – Fee
- Ideal market in the country for marketing of vegetables.
- Market committee – 1% service charges and facilities
- Disputes – Supervisor of market committee.

- 3. Rythu Bazars-
- Established in major cities of AP. (Jan, 20, 1999)
- Highlights –
- District Collectors making land available.
- Permanent infra
- Id cards
- State govt arrange buses
- Cereals, Pulses, edible oils are also sold at reasonable prices.

- 4. Uzhavar Sandies
- TN in 1999
- Objectives –
  - 1. Direct contact
  - 2. Fair price
  - 3. Ensure availability of fresh fruits and vegetables.

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- 5. Shetkari Bazar
  - Maharashtra – Fruits and vegetables.
  
  - 6. Krushak Bazars ( Odisha)

- 7. Mothers Dairy Booths
- Delhi – 1989
- Purchase from farmers – moving is specially built vehicles – store in ac godowns - through retail outlets.

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- 8. Safal Market – National Dairy Development Board (NDDB) - Delhi

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- 9. Veg and fruit promotion Council, Keralam