

MARKET INTELLIGENCE IN AGRICULTURE AND ALLIED BUSINESS

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ABSTRACT

Agrarian economy has numerous players, agents and stakeholder; all seek information for taking rational decisions for their respective roles and objectives. The main objective of Agricultural Market Intelligence is to maintaining a balance between demand and supply of any agricultural commodity at a remunerative level to farmers. For Increasing Farmers participation in commercial marketing market intelligence needs to be proper. Keeping this in focus, this paper deals with the current status of Market intelligence, the common objectives and process of market intelligence, the role that government plays and should play for improving Market Intelligence. How Market Intelligence is important to the farmers for taking their farming decisions. As for recommendation, the paper drives in the point that Market Intelligence in agriculture and allied enterprise should lead in huge sale with better price of agricultural produce. Market Intelligence should helps to better agro-processing linkages between farmers, groups related to agriculture, markets and private processors which in turn would make agriculture a more viable proposition.

Keywords: market intelligence, objectives, process, importance, govt. Participation, allied business

INTRODUCTION

The history of Indian agriculture shows that Agriculture was unable to feed the 45 cores of its population during late 1960 necessitating huge imports of food grains. Now in the 21st Century, India is able to feed its population of more than 100 cores, besides, providing raw materials for manufacturing companies as well as export. It indicates that huge increase in the production of agricultural commodities but there is not increased standard of living of farmers with compare to increase in production. The main reason behind this is farmers not given due attention to marketing of agricultural produce. Neither the Governments at Central and State levels, nor the farmers gave due importance to agricultural marketing. As on date, Indian farmers are well versed with production technologies but they are not so in marketing. Market information and intelligence are crucial to enable farmers and traders to make informed decisions about what to grow, when to harvest, to which markets produce should be sent, and whether to store it or not. The most important marketing intelligence need of the farmer is price intelligence. Efficient market information can be shown to have positive benefit for farmers and traders. Up-to-date information on prices and other market factors enables farmers to negotiate with the traders and also facilitates spatial distribution of products from rural to urban areas and between markets. Very few farmers participate in commercial markets due to lack of access to market information and

understanding as to how the market operates. It is not enough for marketing information to be collected; it must also be disseminated in a form accessible to farmers and adopted to their needs. Recent tremendous growth in information technology is making it more feasible to provide farmers with the marketing information they need. However, farmers may not benefit from sophisticated facilities, if the system is poorly managed or not designed for their needs. In India existing agricultural market information services frequently fall short in one or more areas. Though farm related information has been provided by the Radio, TV and Newspapers, there was no mechanism to analyze, interpret and convert this vast volume of information into simple, comprehensible trade intelligence. This calls for a farmer friendly, easily accessible market intelligence system.

OBJECTIVE

To know the market intelligence in agriculture and allied business

METHODOLOGY

The information required to prepare this material principally come from various reports, documents and web site resources. The information has been analyzed to illustrate the use of market intelligence, describe the underlying concepts and generate lessons, ideas, and insights useful for developing and strengthening agriculture marketing intelligence in our

country. it revisits some of the themes identified from the general literature and relates the case study experiences to them. It is important that the farmer should be able to sell his or her produce at a convenient stage of the marketing channel. For example, some farmers have the option of selling at farm gate, of delivering to a local assembly market, of supplying a wholesale market direct or of selling directly to retailers or even to consumers. Availability of information on market conditions at different locations or different points in the marketing chain is necessary for choosing where to market.

Data, Information and Market Intelligence

Data is refers as “raw material” - it needs to be processed and analyze before it can be turned into something useful. Data comes in many forms - numbers, words, symbols. Data relates to transactions, events and facts. On its own - it is not very useful. **Information** is data that has been processed in such a way as to be meaningful to the person who receives it. Information refers to increased knowledge by understanding the relationships of data. Market Intelligence refers to organizing the information to understand implications and impact. That means Market Intelligence differs from data and information since it requires some form of analysis. Market Intelligence is the process of collecting relevant information related to the existing market prices, domestic and global agricultural supply and demand conditions, policy environment and other relevant factors; converting those into

usable form through scientific modeling and stakeholder's perception and disseminating through effective means so that informed and effective decisions can be taken by the farmers and other stakeholders. This process requires that the market data is converted to usable information and then to market intelligence. The purpose of this analysis is to derive some meaning from the piles of data and information. By going through analysis and filtering, one can refine it enough so that someone can act on it and understand their options, giving them an opportunity to make forward-looking decisions. As far as is possible marketing decisions should be based on sound information. Thus the process of collecting, interpreting, and disseminating information relevant to marketing decisions is known as market intelligence. Market Intelligence should not simply present the facts, declaring what was found; but instead make a statement, saying this is what can be believed as about to happen. As Market Intelligence allows one to predict or forecast what is going to happen, this in turn allows to effectively strategize in relation to the competitive environment. Therefore, MI indulges one to remain competitive by improving strategic decisions and this leads to better performance against the grain. At the same time, MI does not attempt to collect and analyze all information for an exact picture, but attempts to get enough information to tell what's going on. Thus, Accuracy, Availability, Applicability and Analysis are the four 'A's of market intelligence.

Market Intelligence Process

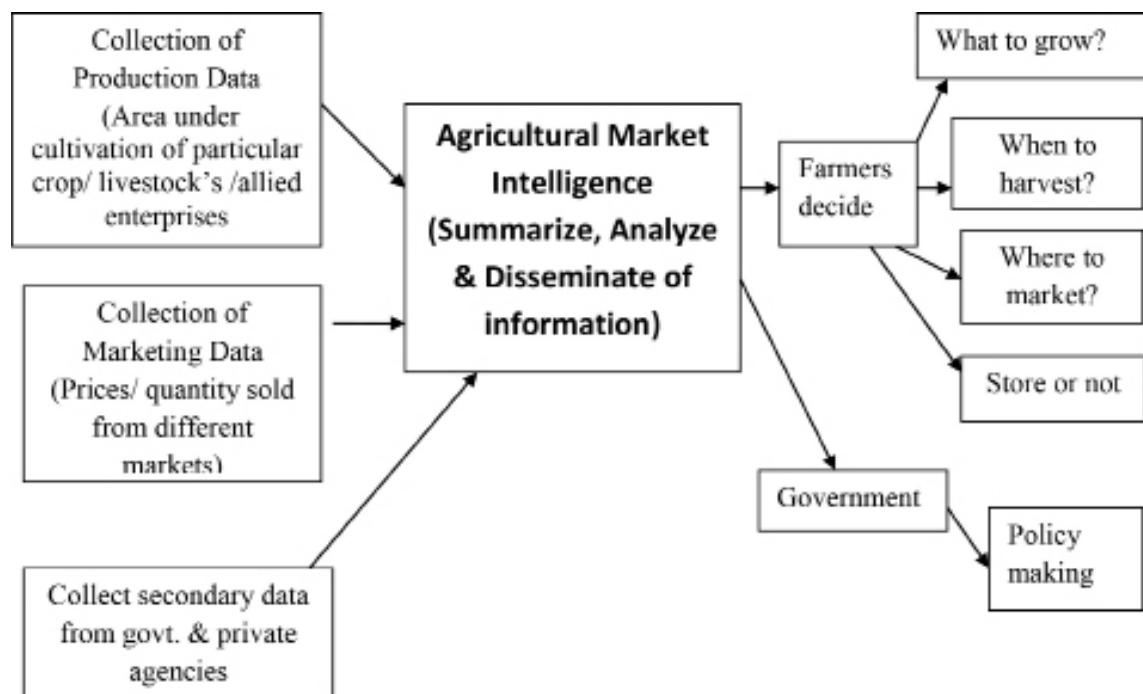


Fig.1 : Market Intelligence Process

Objectives of Market Intelligence

- ♦ To provide price forecasts before sowing and during harvest of different crops.
- ♦ To made available commodity intelligence to all stakeholders.
- ♦ Providing information about high price markets to producers
- ♦ To improve the dissemination of marketing Information.
- ♦ To Increase the capacity of absorb and use such market intelligence by all stakeholders.
- ♦ Development of commodity market outlook for agricultural commodities.
- ♦ Providing commodity market research reports.

Current Status of market intelligence in Indian agriculture

On the recommendation of the Agricultural Prices Enquiry Committee, (1954), the Directorate of Economics and Statistics, Ministry of Agriculture (DESMOA) set up 14 Market Intelligence Units (MIU) in the capitals of Andhra Pradesh, Assam, Bihar, Delhi, Gujarat, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Orissa, Rajasthan, Tamil Nadu, Uttar Pradesh, and West Bengal. The market intelligence units are intended to help the DESMOA in the formulation, implementation and review of the agricultural price policy relating to procurement, marketing, storage, transportation, import, export and credit, etc. The units furnish regular reports on market arrivals, off-takes, stocks, crop prospects, and outlook of market prices. They are also required to give their appraisal of production of various kharif and rabi crops at regular intervals to help preparation of crop forecasts. Agricultural Market Intelligence is an important and useful instrument, and it should be strengthened and extended to all the States. At present AGMARKNET is the largest network in India to provide real time information by connecting major regulated markets across the country. AGMARKNET was the mega initiative launched by Government of India through a network of directorate of Marketing and Inspection, Department of Agriculture and Cooperation and National Informatics Centre. The initiative connected all major agricultural markets of the country and provided the current price information to the beneficiaries. The daily information is compiled by the regulated markets and provided to NIC for sharing on the web portal. Besides the commodity wise price and arrival information, the portal has been enriched over a period of time in terms of providing other useful information related to Government policies, regulations, subsidies etc. Based on the temporal trends, the information is useful for the academic and research organizations for making future predictions regarding the price behavior. The Network Project on Market Intelligence at NIAP was initiated in 2013

and sponsored by the Indian Council of Agricultural Research to provide reliable and timely price forecasts to farmers for selected agricultural commodities in order to enable them to make informed production and marketing decisions, which in turn could lead to higher profitability.

Importance of Agricultural Market Intelligence

Agricultural marketing can be defined as series of services involved in moving a product from the point of production to the point of consumption. Thus agricultural marketing is a series of inter-connected activities involving: planning production, growing and harvesting, grading, packing, transport, storage, distribution and sale. Such activities cannot take place without the exchange of information. With the transformation of agriculture from subsistence to commercial production systems, farmers also needed more market orientation to succeed in business because commercial production is basically market - oriented. Only market orientation and market responsiveness could fetch better prices under the changed situation. Thus there is an increasing awareness that it is not enough to produce a crop or commodity; it must be marketed as well. It is necessary that farmer gets the market information about arrivals, prices, and quality standards of various commodities, not only from one market area, but from other market areas in the country and if possible from various countries of the world. This will enable the farmer to have increased access to the markets and realize better price for his produce. This type of information extension made possible by Market Intelligence. Market Intelligence helps to farmers to take decisions like what to grow? When to harvest? Where to markets the produce? Whether to store it or not? Market Intelligence empowers the farmers and agricultural and allied producers to take advantage of the global opportunities. The information that the trades need are revolve around the returns that they receive from trading of a crop besides selection of market to sell. Analogously consumers too want information on what to buy, where to buy and when to buy. The Agriculture Market mainly provides the data related to the daily trading, upward and downward movements in demands of the agriculture products. Agricultural market intelligence on agriculture and livestock products is extremely essential for enhancing productivity and for facilitating greater volumes of trade in the sector. The Market Intelligence is vital, because such data is not only a key input for planning and decision-making by agricultural market participants, but also for effective government policy making and administrative decision-making. It helps to forecast prices of different agricultural produce to take a proper decision of production and selling.

Challenges of Market Intelligence in agriculture

Information dissemination is gigantic in size and is heavily burdened with multifarious activities. Adding to it is the gap in communication between the researcher and the farmer. Developing good market intelligence/ information is yet another challenge. Good market intelligence should be comprehensive, accurate, relevant, confidential, trustworthy, and equally accessible and timeliness. Agricultural goods are quite different from marketing goods. The main difference is they are perishable in nature. Supply is not regular because of seasonality in production. Farmers here have small land holding which gives scattered production and variability in quality of the products. Besides the factor that our is not in a position to reap the benefits of WTO through export, also one major threat our country is faces is unrealized opportunity in agricultural marketing, imports by our country, underexplored export opportunities for Indian products and distortion in domestic market. Another challenge is presence of large unorganized markets.

The role of Government in Market Intelligence

The government plays an important role in the marketing of farm products. The nature and degree of involvement differ depending on the commodity and marketing functions. In general the involvement was greatest in the case of grains, particularly, rice and wheat, which were staple products. In some cases, government or state-owned enterprises were also directly involved in the marketing of specific industrial/commercial crops such as tea, rubber, sugar, oil palm, and coconuts, which were major, export crops of the region. The Government provides much of the infrastructure required for efficient marketing. One of the most important is the information and extension services to farmers besides transport & communication facilities, public utility supply, like water, electricity, fiscal and trade administration, public storage, and market facilities. In the recent times the government has focused its attention to involve ICT (Information Communication Technology) tools to improve the production and thereby the marketing prospects of agriculture. The government has become keen on that the ICT should be able to provide answers to questions like what and how much to produce, when to produce, in what form to sell, at what price to sell, when to sell and where to sell. All these information need to be provided to the farmers and the farming community and

farm-business adherents with a 'press a 9 button' on the computer on a continuous updated basis. The government has brought out many online Market Intelligence portals for agriculture like: AGMARKNET – www.agmarket.nic.in by the Union Ministry of Agriculture, the e-Vipnan initiative by the Madhya Pradesh State Government, ITC's e-CHOUPAL, DCM SHRIRAM's Hariyali Kisan Bazar and DEMIC of TNAU.

CONCLUSION

Development of farmers as well as agriculture sector as a whole is become possible by use of market intelligence in agriculture. Agricultural Market Intelligence helps in ensuring that produce goes to markets where there is a demand for it. It shortens marketing channels and cuts down on transport costs, and helps ensure that each marketing transaction is a fair one, and that all participants share the risks and benefits. Agricultural prices hold tremendous importance in Indian economy and have a significant influence on the decision making pattern of farmers and other stakeholders regarding crop area and marketing. It is expected that future agricultural growth would largely accrue from improvements in productivity of diversified farming systems with regional specialization and sustainable management of natural resources, especially land and water.

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