

# CLASS – 11

## ECONOMICS

Indian Economy Development

CH-5 : Rural Development


Part – 4

Rural Marketing

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# OVERVIEW

- 
- A photograph of a person walking through a lush green field, carrying a large woven basket on their head. In the background, there are palm trees and a hillside with some buildings. The image is partially obscured by a large, stylized 'mg' logo in the center.
1. Introduction to Rural Development
  2. Rural Credit
  3. Rural Banking and rural credit system
  4. Rural Marketing
  5. Cooperative marketing, Buffer stock and PDS
  6. Defects of Agriculture Marketing
  7. Alternatives of Agriculture marketing
  8. Agriculture Diversification
  9. Rural Schemes
  10. Organic Farming
  11. Sustainable Development



# RURAL MARKETING

It is a process that involves the assembling, storage, processing, transportation, packaging, grading and distribution of different agricultural commodities across the country.

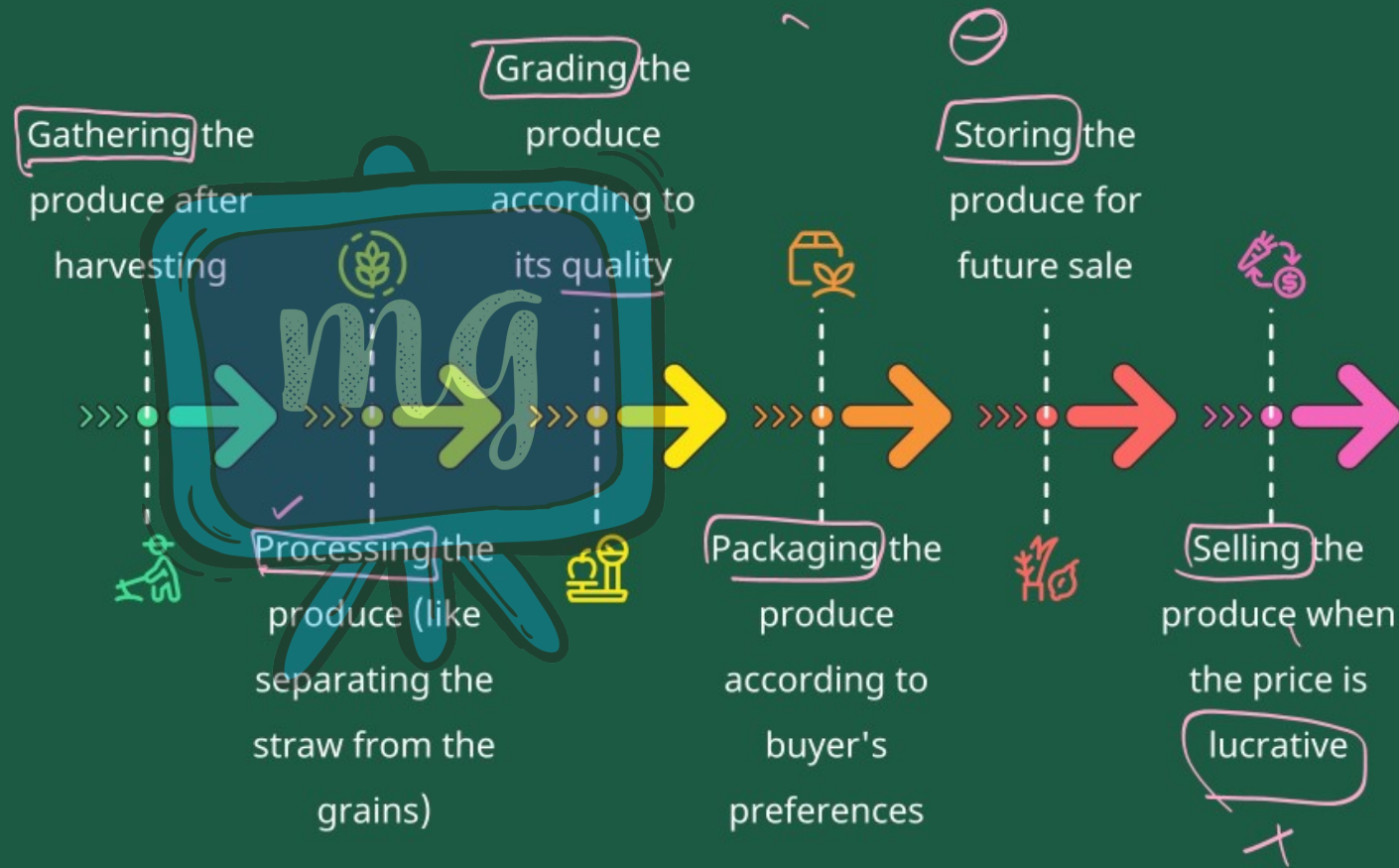
Agricultural marketing.



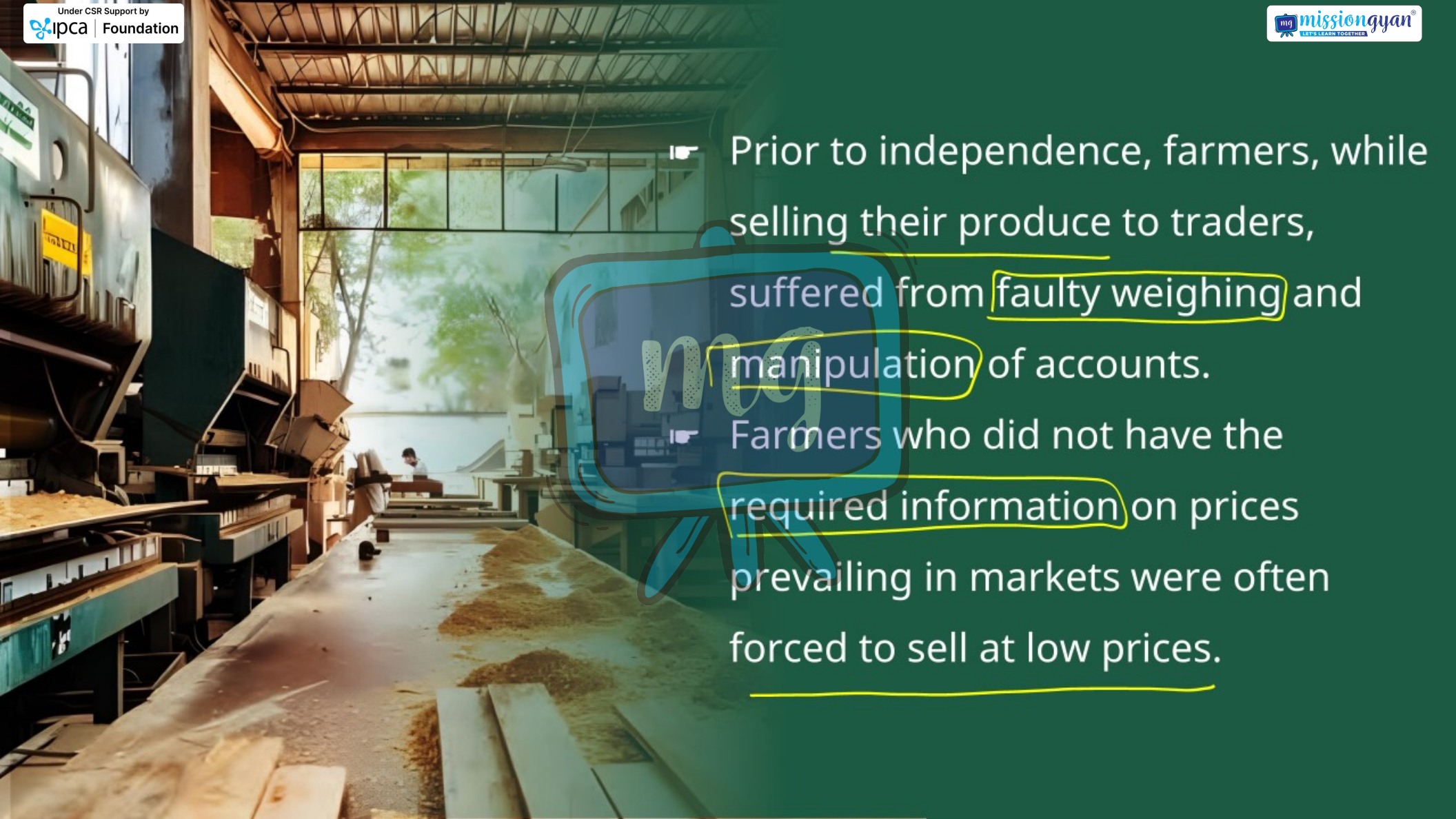


After harvesting, the farmers need to assemble their produce on the farm, process it, grade it, package it, and store it before it is finally brought to the market for sale.

Agricultural marketing includes all these processes between harvesting and the final sale of the produced by the farmers.



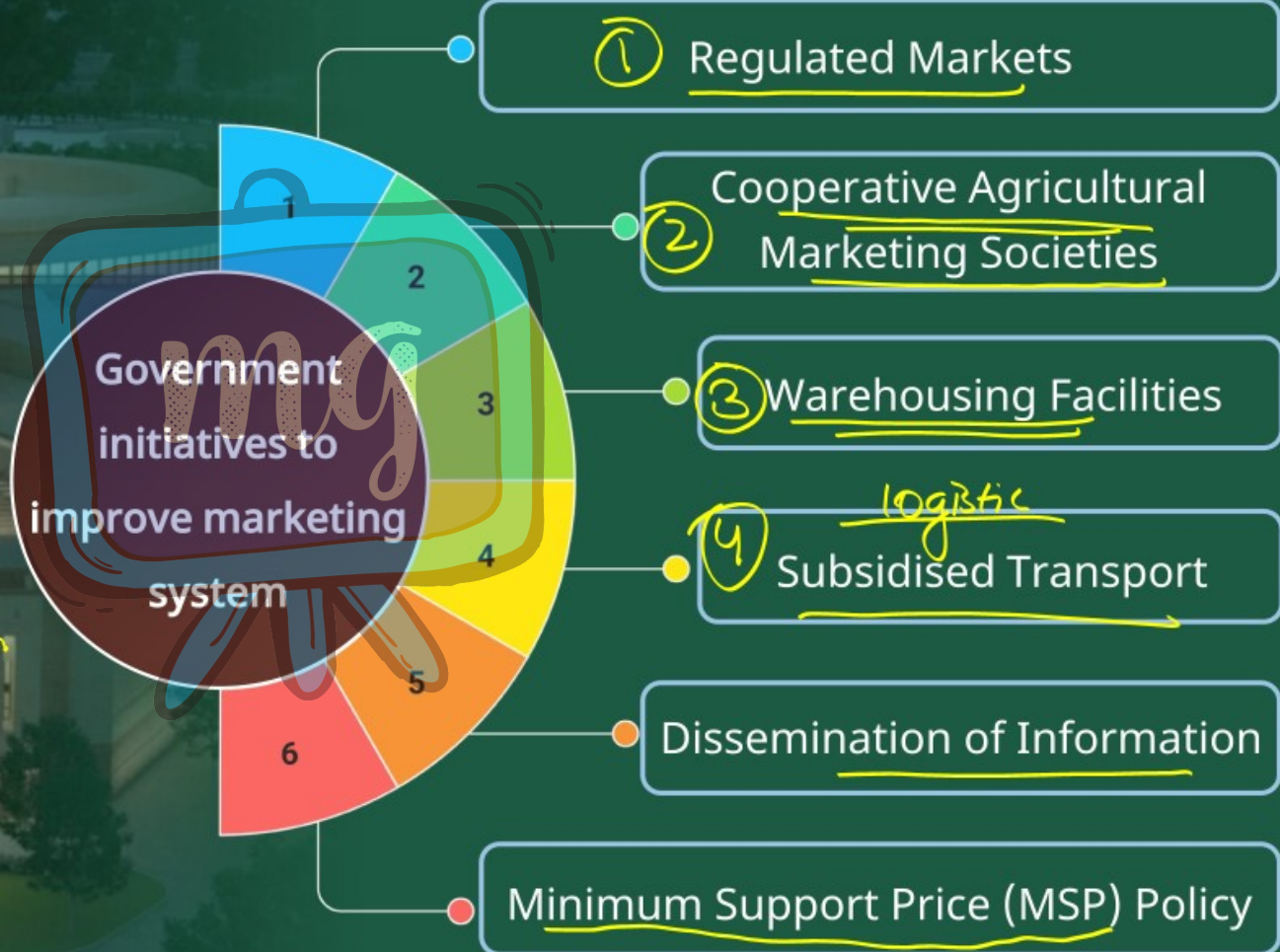


- 
- Prior to independence, farmers, while selling their produce to traders, suffered from faulty weighing and manipulation of accounts.
  - Farmers who did not have the required information on prices prevailing in markets were often forced to sell at low prices.

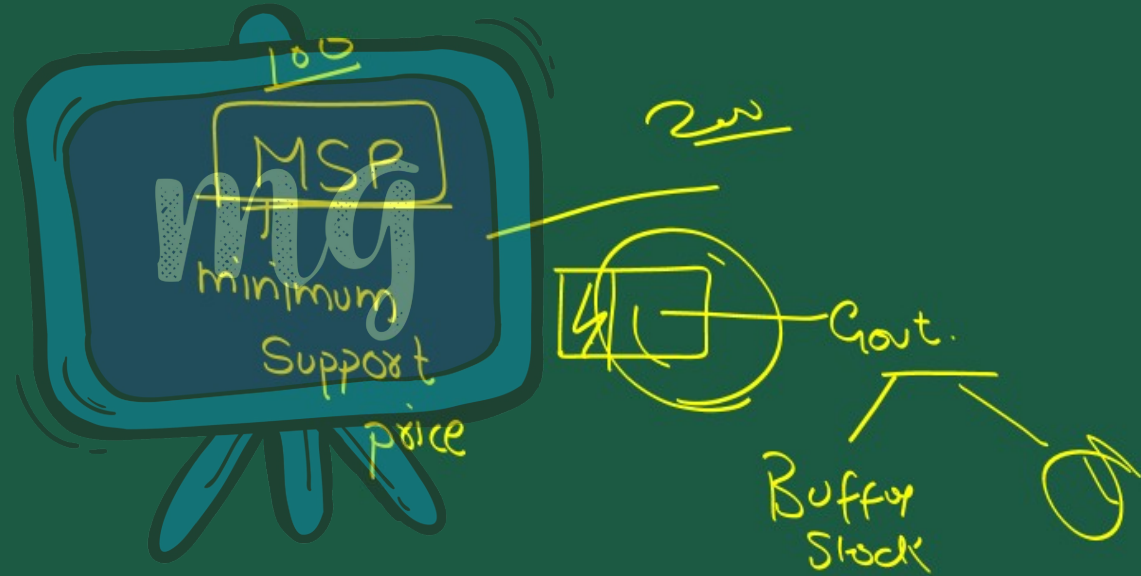
- They also did not have proper storage facilities to keep back their produce for selling later at a better price.











## 1. REGULATED MARKETS

✦ Regulated markets have been established where the sale and purchase of the produce is monitored by the Market Committee including representatives of government, farmers, and traders.





- ✧ The market system is made transparent with a strict vigil on the use of proper scales and weights.
- ✧ The market committees ensure that the farmers get the appropriate price for their produce.



## 2. COOPERATIVE AGRICULTURAL MARKETING SOCIETIES

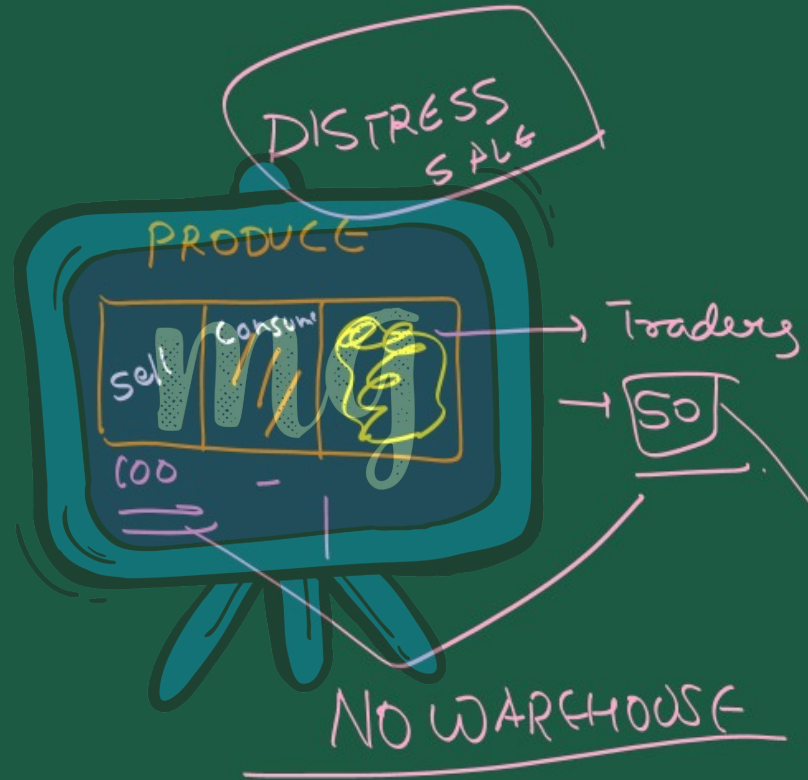
- ✦ The government is encouraging the formation of Cooperative Agricultural Marketing Societies.
- ✦ As members of these societies, farmers find themselves better bargainers in the market.
- ✦ A better price by a collective sale.



### 3. PROVISION OF WAREHOUSING FACILITIES

✦ To avoid distress sales the government is offering warehousing facilities to the farmers.

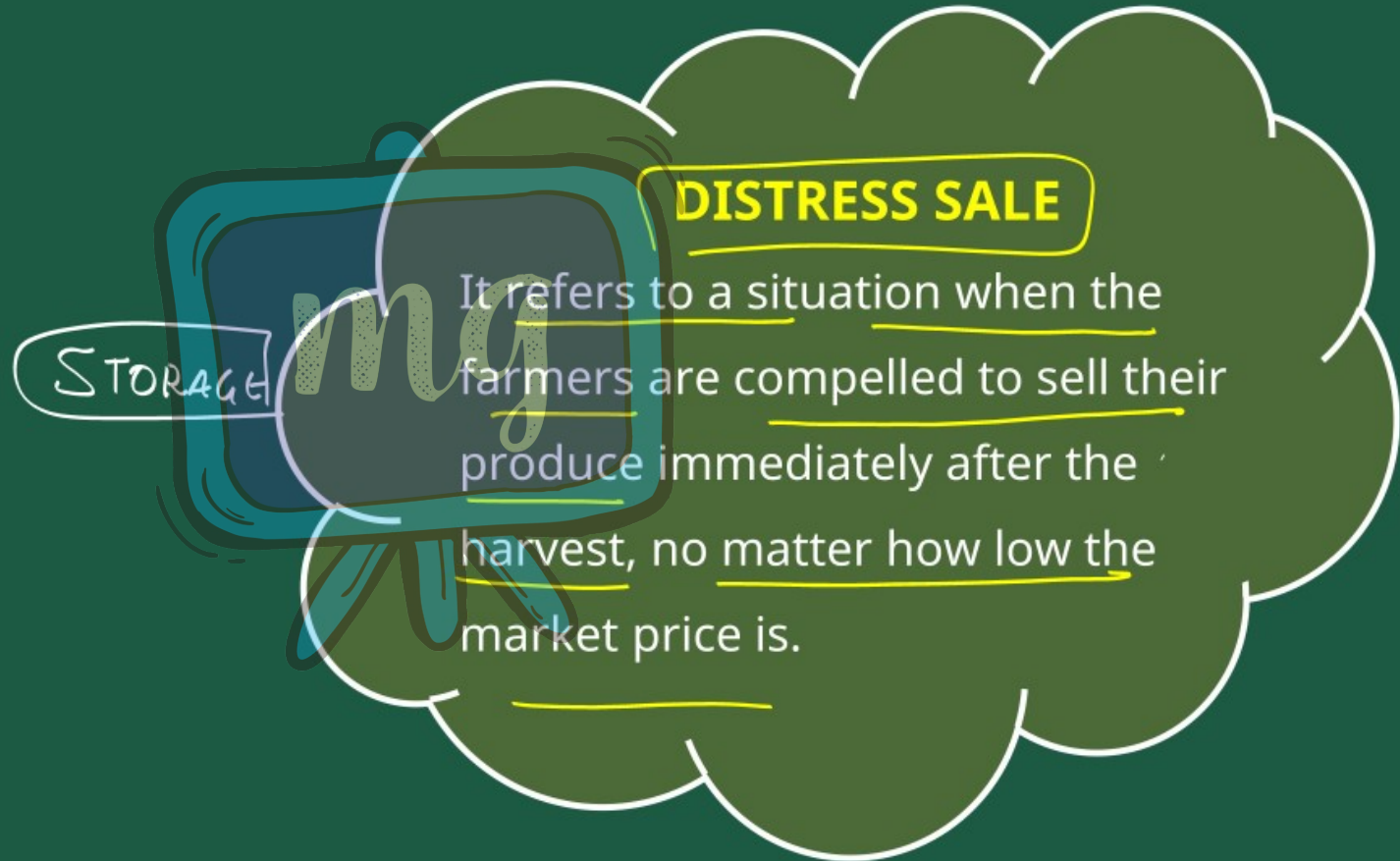








- ✧ Central and State warehousing corporations are the principal government agencies offering storage space to the farmers.
- ✧ Storage helps the farmers to sell their produce at a time when the market price is lucrative.

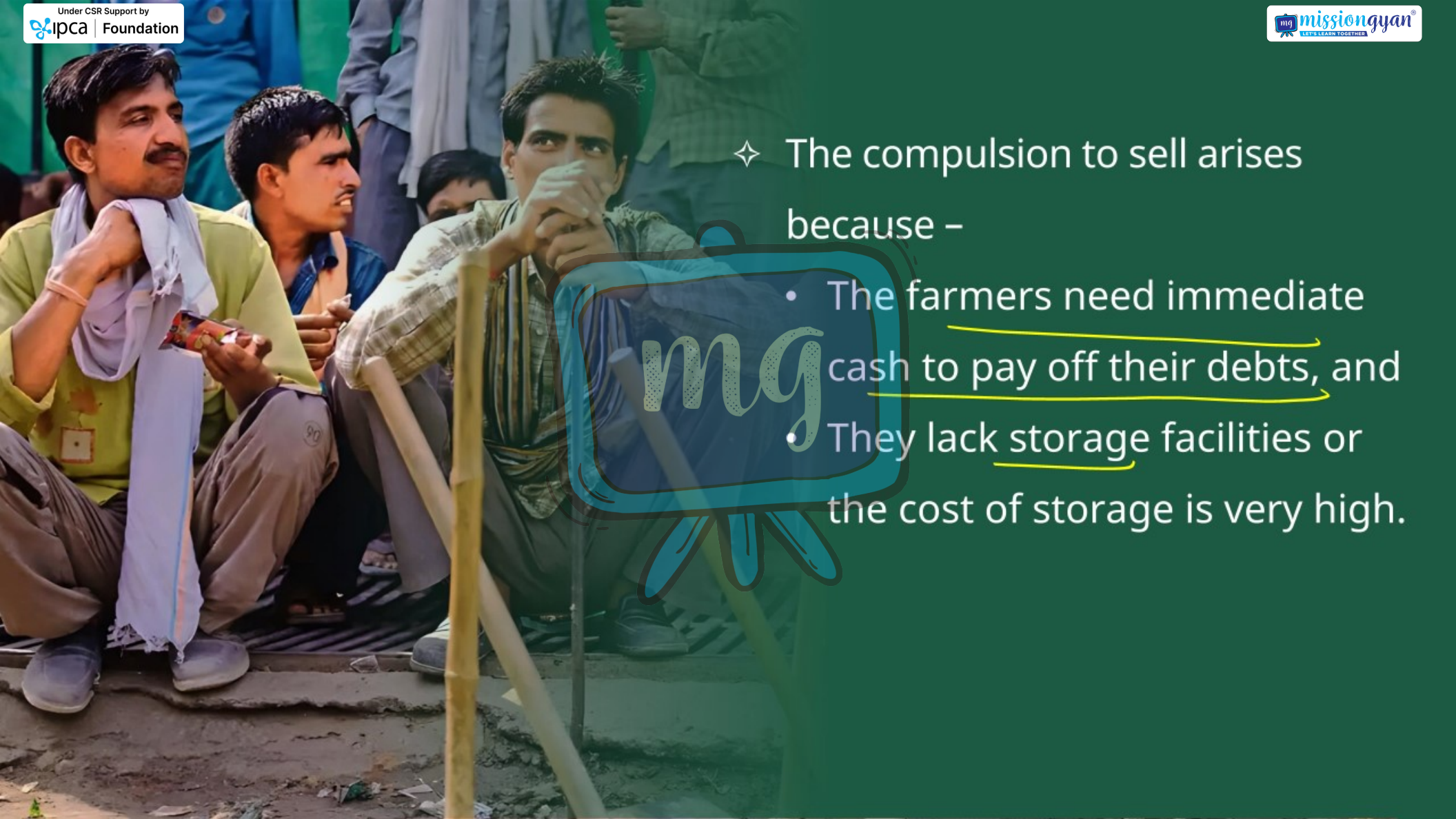


## **DISTRESS SALE**

It refers to a situation when the farmers are compelled to sell their produce immediately after the harvest, no matter how low the market price is.

STORAGE





✧ The compulsion to sell arises because –

- The farmers need immediate cash to pay off their debts, and
- They lack storage facilities or the cost of storage is very high.

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## 4. SUBSIDISED TRANSPORT

✦ Railways are offering subsidised transport facilities to the farmers to bring their produce to the urban markets where often they get a better deal.





## 5. DISSEMINATION OF INFORMATION



- ✦ Electronic media and print media  
are actively engaged in offering  
market related information to  
farmers, particularly information  
related to price behaviour in the  
market.
- ✦ This helps the farmers in deciding  
how much to sell and when to sell.

## 6. MSP POLICY

✦ MSP policy (minimum support price policy) is an important step initiated by the government to improve the agricultural marketing system.







- ✧ MSP is an assurance to the farmers that their produce would be purchased by the government at the specified price.
- ✧ The farmers are free to sell their produce at a price higher than MSP in the open market.



# LEARNING OUTCOME





# ASSESSMENT

1

Which of the following is not a government initiative to improve marketing system?

- ☒ A Regulated Markets
- ☒ B Minimum support price
- ☒ C Increasing cost of transport
- ☒ D Warehousing Facilities

# ASSESSMENT

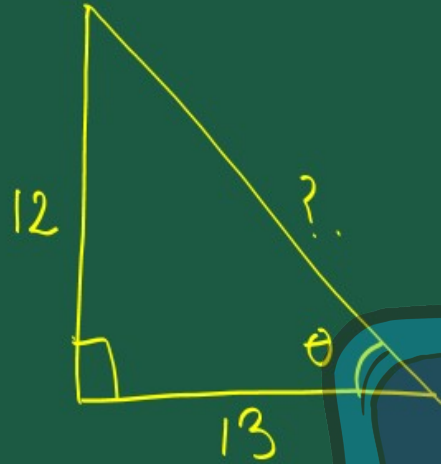


2

A situation when the farmers are compelled to sell their produce immediately after the harvest, no matter how low the market price is termed as-

- ☒ A Consumer's preference
- ☒ B Minimum support price
- ☒ C Distress sale
- ☒ D Buffer stock





$$\begin{aligned}P &= 12 \\B &= 13 \\H &= ?\end{aligned}$$

Side opp. to  $\theta$   
is always perp.



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