

MARKET-LED AGRICULTURAL EXTENSION CHALLENGES & FUTURE STRATEGY

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Indian agriculture has made rapid progress / strides in the last half century by augmenting the annual food grain production from 51 million tonnes in the early fifties to 209 million tonnes in 1999-2000 and steered the country to a status of self sufficiency. It has been successful in keeping pace with the rising food demand of a growing population. Food grain production quadrupled in the last 50 years while population nearly tripled from 350 million to one billion during this period. Significantly, the extension system had played its role untiringly in transfer of production technologies from lab to land besides the agricultural scientists, farmers and marketing network.

Though the production has increased dramatically, not so much bothered about remunerative prices, small and marginal farmers generally prone to sell their produce on "as is where basis" due to several constraints like repayment of personal hand loans and to meet domestic needs.

With the globalization of market, farmers have to transform themselves from mere producers-sellers in the domestic markets to producer cum seller in a wider market sense to best realize the returns for his investments, risks and efforts. This to be achieved, farmers need to know answers to questions like what to produce, when to produce, how much to produce, when and where to sell, at what price and form to sell his produce. Farmers received most of the production technologies from extension system. Extension system now needs to be oriented with knowledge and skills related to market.

An efficient marketing system is essential for the development of the agricultural sector. In as much as it provides outlets and incentives for increased production, the marketing system contributes greatly to the

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commercialization of subsistence farmers. Failure to develop the agricultural marketing system is likely to negate most, if not all, efforts to increase agricultural production (FAO, 2000). 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. Effective linkages of production systems with marketing, agro-processing and other value added activities would play an increasingly important role in the diversification of agriculture (MOA, GOI 2001).

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 and public storage, market and abattoir facilities (FAO, 2000).

In the changing scenario of Indian agriculture, with newly added face of marketing, the extension system is likely to undergo series of crises:

Knowledge-skill input crisis: Besides the production technologies, the extensionists now, have to get equipped with market information which requires further training to the extensionists and additional funding.

Efficacy crisis: Already, the extension system is under criticism. With the increased and enriched role, they have to perform multiple activities to prove their efficacy.

Credibility crisis: even with all the market knowledge and efficacy in performing their role, the extension system may face the credibility crisis due to rapid and unexpected changes in the market.

Reorganization structure crisis: with assumption of new roles, the organization structure may be prone to changes and the system has to adjust itself to this shock.

Challenges

- The gigantic size / mechanism of the public extension system in the country is heavily burdened with performance of multi-farmers

activities in the field. Extension system acted as liaison between the researcher and farmer. They are endowed with the responsibility of conveying research findings from the scientists to the farmers and feeding back the impressions of the farmers to the scientists. The new dimension of 'marketing' may overburden and become an agenda beyond their comprehension and capability. The public extension system is already under severe criticism for delivering the services. In the light of this scenario, the challenge remains to motivate the extension personnel to learn the new knowledge and skills of marketing before assigning them marketing extension jobs to establish their credibility and facilitate significant profits for the farming community.

- Sporadic success stories of using information technology by farmers are publicized. There is an urgent need to strategically frame an information policy to make the farmers info-rich. Internet technology has percolated down up to Taluq level and in some states up to village level. Search engines and the present websites furnish general information presently. A whole network of skilled personnel need to be engaged in collection of current information and creation of relevant websites pertaining to / serving specific needs of farmers. Creation of websites should be mandatory in different languages to equip the farmers with information. These websites should contain information like market networks, likely price trends, current prices, demand status etc.

In short, Kipling's, seven servants may be employed to get 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. Information technology should be able to provide this kind of information to the farmers with press a button on the computer on a continuous updated basis. Then and only then, the much talked about IT revolution would be beneficial to farmers.

- Generation of data on the market intelligence would be a huge task by itself. Departments of market already possess much of the data. Hence, establishment of linkages between agriculture line departments and Departments of Market strengthens the market-led extension.

- Extension cadre development: The present extension system suffers from several limitations of stationery, mobility, ... allowances, personal development of cadres etc. There is a dire need to upgrade these basic facilities and free the extension cadres from the shackles of the hygiene factors and enthuse them to look forward for the motivating factors like achievement, job satisfaction, recognition etc.
- Reorganization of the extension system: the position of additional director extension may be redesignated as additional director extension and marketing and be made to look after the extension and marketing.

Enhanced roles of Agricultural Extension personnel in light of Market-led Extension:

- SWOT analysis of the market: Strengths (demand, high market ability, good price etc.), Weaknesses (the reverse of the above), Opportunities (export to other places, appropriate time of selling etc.) and Threats (imports and perishability of the products etc.) need to be analyzed about the markets. Accordingly, the farmers need to be made aware of this analysis for planning of their production and marketing.
- Organization of Farmers' Interest Groups (FIGs) on commodity basis and building their capabilities with regard to management of their farm enterprise.
- Supporting and enhancing the capacities of locally established groups under various schemes / programmes like watershed committees, users groups, SHGs, water users' associations, thrift and credit groups. These groups need to be educated on the importance, utility and benefit of self-help action.
- Enhancing the interactive and communication skills of the farmers to exchange their views with customers and other market forces (middlemen) for getting feedback and gain the bargaining during direct marketing ex. Rythu Bazaars, Agri-mandi and Uzavar Santhaigal etc.
- Establishing marketing and agro-processing linkages between farmers' groups, markets and private processors

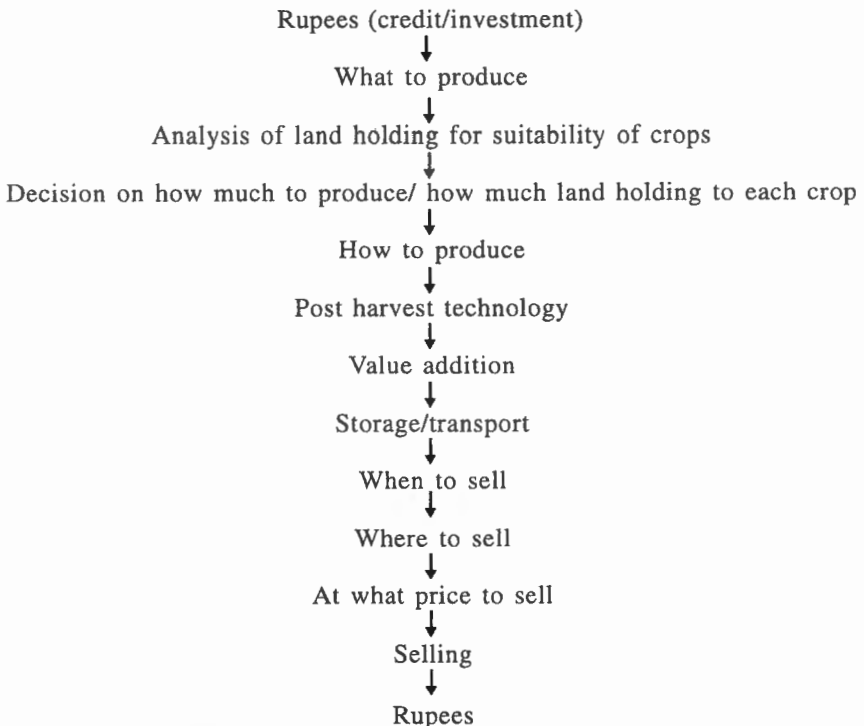
- Advice on product planning: selection of crops to be grown and varieties suiting the land holding and marketability of produce will be the starting point of agri-enterprise. Extension system plays an important role in providing information in this regard
- Educating the farming community: to treat agriculture as an entrepreneurial activity and accordingly plan various phases of crop production and marketing
- Direct marketing: farmers need to be informed about the benefits of direct marketing. In some of the states, Rythu Bazaars in AP, Apni Mandis in Punjab and Haryana and Uzavar Santhaigal in Tamilnadu have shown success
- Capacity building of FIGs in terms improved production, post harvest operations, storage and transport and marketing
- Acquiring complete market intelligence regularly on various aspects of markets
- Regular usage of internet facility through computers to get updated on market intelligence
- Publication of agricultural market information in newspapers, radio and Television besides internet
- Organization of study tours of FIGs: to the successful farmers/ FIGs for various operations with similar socio-economic and farming systems as the farmers learn more from each other
- Production of video films of success stories of community specific farmers
- Creation of websites of successful FIGs in the field of agribusiness management with all the information to help other FIGs achieve success

Required information to extension system and farmers:

- The present agricultural scenario and land se pattern
- Suitability of land holding to various crops
- Crops in demand in near future
- Market prices f crops in demand

- The extent of demand
- Credit facilities
- Desired qualities of the products by consumers
- Market network of the local area and the price differences in various markets
- Network of storage and warehouse facilities available
- Transport facilities
- Regular updating of market intelligence
- Production technologies like improved varieties, organic farming, usage of bio-fertilizers and bio-pesticides, right methods of harvesting
- Post-harvest management like processing, grading, standardization of produce, value addition, packaging, storage, certification, etc. with reference to food grains, fruits and vegetables, eggs, poultry, fish, etc.

Flow chart of agriculture as an enterprise



Paradigm shifts from Transfer of Technology to market-led extension

Aspects	Transfer of technology extension	Market-led extension
Purpose/objective	Transfer of production technologies	Enabling farmers to get optimum returns out of the enterprise
Expected end results	Delivery of messages Adoption of package of practices by most of the farmers	High returns
Farmers seen as	Progressive farmer High producer	Farmers as an entrepreneur “Agripreneur”
Focus	Production / yields “Seed to seed”	Whole process as an enterprise High returns “Money to money”
Technology	Fixed package recommended for an agro-climatic zone covering very huge area irrespective of different farming situations	Diverse baskets of package of practices suitable to local situations/ farming systems
Extensionists’ interactions	Messages Training Motivating Recommendations	Joint analysis of the issues Varied choices for adoption Consultation
Linkages/ liaison	Research-Extension-Farmer	Research-Extension-Farmer extended by market linkages
Extensionists’ role	Limited to delivery mode and feedback to research system	Enriched with market intelligence besides the TOT function Establishment of marketing and agro-processing linkages between farmer groups, markets and processors
Contact with farmers	Individual	Farmers’ Interest Groups Focused groups/SHGs
Maintenance of Records	Not much importance as the focus was on production	Very important as agriculture viewed as an enterprise to understand the cost benefit ratio and the profits generated
Information Technology support	Emphasis on production technologies	Market intelligence including likely price trends, demand position, current prices, market practices, communication network, etc besides production technologies



Conclusion:

Market-led extension system establishes its position by helping the farmers realize high returns for the produce and minimize the production costs and improve the product value and marketability.

Information technology, electronic and print media need to be harnessed to disseminate the production and market information

Indian farmers have moved from subsistence to self-sufficiency due to advent of production technologies. In order to be successful in the liberalized market scenario they have to shift their focus from 'supply driven' to market driven' and produce according to the market needs and earn high returns.

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