

## Importance of Marketing Margin in Agricultural Marketing System

Poonam Kumari

M.A (Ph.D), Professor Colony, Durgasthan, Katihar

---

### ARTICLE DETAILS

#### Article History

Published Online: 30 March 2018

#### Keywords

Marketing Margin, Market Structure, Farm Product, Ascertain, Merchants, Market Services, Ultimate Consumer, Physical Distribution.

---

### ABSTRACT

*The basic of agricultural marketing is that farm products are stored, transported to a place where wanted, at that time desired and transfer to those desiring them.*

*Marketing is as critical of a better performance in agriculture as farming itself and should be treated with equal care. Agriculture marketing is a process by which the producer and the buyer of agricultural goods are bought together.*

*Modern marketing system has several functions. It's important function is to move the desired varieties of farm products to consumers in the desired forms and conditions at the lowest possible cost. The study of marketing margin of agriculture product is very important to ascertain the producers share in the consumer's rupee and also to know the margin of various functionaries involved in the marketing process.*

---

### INTRODUCTION

The objective of all economic activities is the satisfaction of human wants in order to achieve this objective the manufacturers of minors and the farmers undertake production of goods and services by they will fail to achieve their objective of the goods and services as produce do not reach the consumers would anyone them at a time when they need them. it is a marketing which helps making goods useful to the society by getting them where they are wanted, when they are wanted and by transferring them to these people who want them. Marketing in this sense has been defined as all the activities involved in the creation of a place, time and possession utilities. To emphasize all this aspects of marketing comic Clarke and Clarke wrote that marketing consist of those efforts which affect transferred in ownership of goods and care for the physical distribution.

Agricultural marketing is a process by which the producer and the buyer of agriculture goods are brought together. Such a definition emphasizes two things: 1. the buyers of agriculture good, and 2. the claim through which buyers and sellers of agriculture products are connected with each other.

The chain which connects buyers and sellers of agricultural goods has so many links. For example arrangements have to be made to collect agricultural goods from the seller in the rural areas and stored before being sent to a market for sale. At Mandi too, godown have to be arranged in the stocks are disposed of, to other important link of the chain are transport and credit facilities. In dealing with the price problems of marketing, it is important to distinguish between the consumer prices the price or margin which marketing agencies receive for the services they perform and the price is received by the producer of a farm products. Each of the marketing services just described above as well as a job of buying and selling ads to the cost of farm products by the time it reaches to the consumer. The difference between the amount consumers pay for the final product and the amount producer receive is generally referred to as a marketing bill on the marketing Martian. The margin between the farm prices in the retail price reflects the cost of marketing and it varies widely for the different groups of products.

Margin also help helps us to know the different components of a marketing margins and their influence on the final price which the consumer pays. study for different commodities at

different time helps us to know the variation and marketing margin. This is essential for the formulation of appropriate price policy for agriculture. Marketing management studies also assume important because they have to help ensure a reasonable return to the producer and also make available the commodities to consumer at reasonable price. Both from the point of a producer and consumer such studies should help to identify the areas where the market charges can be minimized.

While it is very difficult to measure exactly the cost of a marketing many official and unofficial studies made in many countries happen from the contention that the distribution cost on relative higher in agriculture. It is often said that the farmer's share in the consumer's rupees is relatively small as compared to that of several intermediaries in the market channel. The merchants are said to absorb and alarmingly large share of the price. Even in the England when agriculture has been fully commercialized and the farmers do not lack business capacity the spread between the producer and the consumer prices according to Linlithgow committee is unjustifiably wide. Taken as whole distributive costs are a far heavier burden

than the society will permanently consent to a bear. In India according to an estimate 85% of wheat and 75% of oilseeds in Uttar Pradesh 90% of jute in West Bengal 70% of oilseeds and 35% of cotton in Punjab are sold by the farmers in the village themselves. In the United States the farmers get only half price paid by the consumers for the food stuff and in Germany about two-fifths.

Evidently this is on account of inefficient marketing system which may arise out of two circumstances. Firstly high cost of marketing services and functions commerce system of transportation, wasteful method of storage, careless handling of produce large number of middlemen, will certainly increase the cost of marketing and deprive the producer of his due share in the consumer's rupees. Secondly even if the marketing services are rendered most economically the producer may be deprived of his due shares on account of a defective market structure. For that important reasons responsible for high distributive cost of agricultural products. Are due to scattered producers, high transport cost, lack of grading and storage facility on the strict limits within which sale by contract or by sample is possible.

## REFERENCES

1. Frank, A.P.P Economics Lippincott London.
2. Max F. Millikan and David Hapsgood: No Easy Harvest. Scientific Book Agency Calcutta, 1967, p.61.
3. Sinha J.C.: Principles of marketing and salesmanship, R. Chand, Delhi, 1976, p.6.
4. Converse Huesy and Mitchell: Elements of Marketing, pp.1 &8
5. Clark and Clark: Principles of Marketing
6. R.L Cohen: the Economics of Agriculture, Cambridge University press 1965.
7. L.R. Kohls: op.cit. p.114.
8. Misra and Puri: Indian Economy, Himalaya, Bombay, 1984.