

Intermediaries Impact on Agricultural Products – From Farmer's Perspective

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Abstract:

The starting point of this discussion is a broad review of the historical changes in the role of middlemen in the market place. An important argument is that middlemen always fulfill important marketing functions in the marketing system, and that the roles they take complement those of other market actors. The three main roles, in which middlemen actually follow different business logic and perform widely different functions, are highlighted. These roles include middleman as a trader, middleman as a distributor and middleman as a provider.

This study describes that the farmers are getting low price for their owned goods which were cultivated from their farms. They should know marketing is any activity that leads you to sell a product. When you decide what products to sell, what price to ask, where and how to sell them, and how to promote them, you are marketing. Depending on the type and size of your farm, and whether you are farming full or part time, you have several options for how to market your operation. This research describes that impact of intermediaries on agricultural goods like as coconut, milk, tomato, vegetables, paddy, wheat, corn, etc...With reference of Tamil Nadu. So we should know the limits of intermediaries for goods.

Introduction:

Farm radio and TV programs keep farmers up-to-date with the latest market prices for agricultural commodities. Conventional farmers are interested in market prices for corn, soybeans, hogs, and cattle because their crop and animal products are pretty much the same as any other farmer's crops or animals of the same grade and weight. Commodity futures markets, options, and cash contracts give crop and livestock producers the opportunity to price before delivery. Some farmers also have an option of selling to different buyers at different market locations. However, the prices offered are beyond the individual farmer's control, rising and

falling in response to changing supply and demand in a global marketplace and role of intermediaries.

Objectives of the study:

- To analyze the impact of intermediaries on agriculture products.
- To analyze the importance of price fixation rights for their owned products.
- To understand the limits of intermediaries in agriculture products.

Review of literature:

Marketing Intermediaries:

Marketing experts Philip Kotler and Kevin Lane Keller point out in their book, Marketing intermediaries, also known as distribution intermediaries, are firms hired by the product manufacturer to promote, sell and distribute the products to the final consumer. Basic types of marketing intermediaries include agents, marketing agencies, wholesalers and retailers and distribution companies. Agents and marketing agencies assist with product promotion, while wholesalers, retailers and distribution companies sell the product to customers.

Four Types of Marketing Intermediaries:

Agents

The agent as a marketing intermediary is an independent individual or company whose main function is to act as the primary selling arm of the producer and represent the producer to users. Agents take possession of products but do not actually own them. Agents usually make profits from commissions or fees paid for the services they provide to the producer and users.

Wholesalers

Wholesalers are independently owned firms that take title to the merchandise they handle. In other words, the wholesalers own the products they sell. Wholesalers purchase product in bulk and store it until they can resell it. Wholesalers generally sell the products they have purchased to other intermediaries, usually retailers, for a profit.

Distributors

Distributors are similar to wholesalers, but with one key difference. Wholesalers will carry a variety of competing products, for instance Pepsi and Coke products, whereas distributors only carry complementary product lines, either Pepsi or Coke products. Distributors usually maintain close relationships with their suppliers and customers. Distributors will take title to products and store them until they are sold.

Retailers

A retailer takes title to, or purchases, products from other market intermediaries. Retailers can be independently owned and operated, like small “mom and pop” stores, or they can be part of a

large chain, like Wal-Mart. The retailer will sell the products it has purchased directly to the end user for a profit.

Research Methodology:

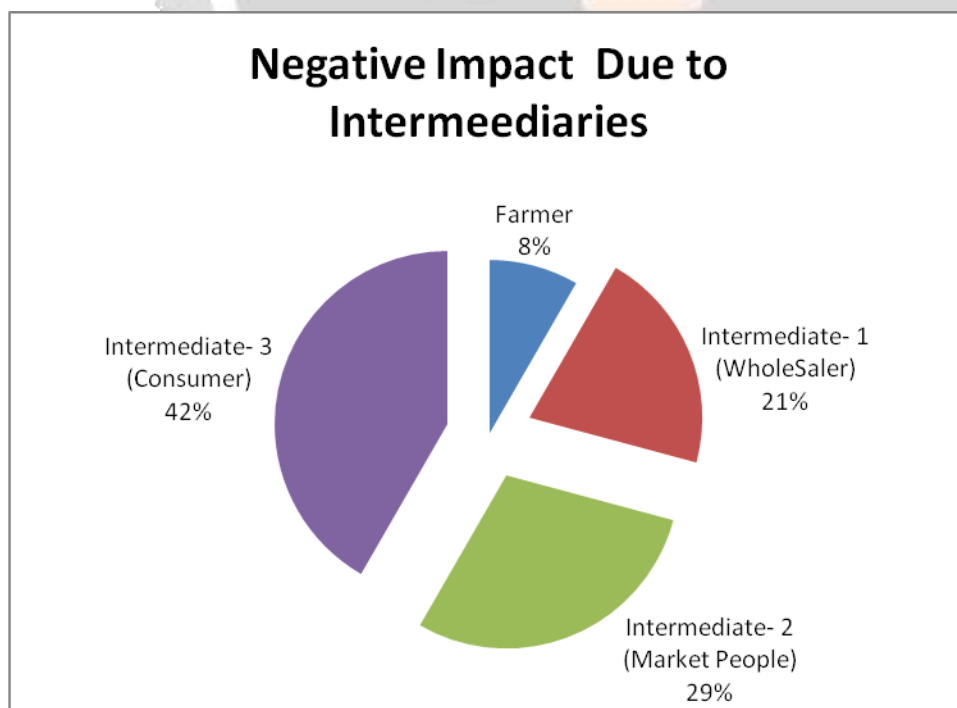
A research designs the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. The research design is the conceptual structure within which the research is conducted. It constitutes the blueprint for the collection, measurement and analysis of data.

Descriptive research and convenience sampling technique are used in this research. This study is mainly based on the survey method. Both primary data and secondary data are used in this study for improving farmer's benefits. For my convenience samples were taken from Coimbatore and Pollachi village areas in Tamil Nadu.

Impact of intermediaries with an example:

Because of more no. of intermediaries farmers get very low price for their goods. For an example coconut price is given below table.

| S.No | From | To | Price per Coconut(In Rs) |
|------|-----------------|-----------------|--------------------------|
| 1 | Farmer | Intermediate -1 | 4 to 5 |
| 2 | Intermediate- 1 | Intermediate -2 | 10 to 12 |
| 3 | Intermediate- 2 | Intermediate -3 | 14 to 15 |
| 4 | Intermediate- 3 | Consumer | 20 to 24 |



- Farmer who owned goods

- Intermediate - 1 who buying goods from the farmer. He is from local or in and around the village(Wholesaler)
- Intermediate-2 who buying goods from the Intermediate -1 as bulk (Market people)
- Intermediate-3 who buying goods from intermediate-2 (Customer)
- Consumer who buys goods from shop (**Farmer = Consumer**)

From this above table farmers only get affected more than the wholesaler and market people. This is one example for negative impact, like wise Milk, Tomato, Onion, Brinjal, Curry leaf, Cucumber, Chilly, etc...

An efficient marketing system means availability of quality inputs and outputs at desired place, at right time and in the suitable form which is not possible without strong infrastructure support, efficient transportation (especially for perishables), processing, grading and storage facilities. Generally, these physical marketing facilities lack in our country. In Pakistan, agricultural markets handle a substantial volume of produce. But as production and incomes have increased and consumers demand high quality products, most of the markets do not cope with the emerging requirements and have come under increasing strain and need improvement.

Many marketing inefficiencies like lack of market intelligence, insufficient infrastructure, exaggerated role of middlemen, adulteration, hoarding and profiteering, excessive rates of various services, collusion amongst traders to suppress prices, and mismanagement of input and output markets are some of the main problems which leave a small amount of marketable surplus. Meager marketable surplus of small farmers together with their weak financial position makes it difficult for them to withhold the produce for better prices, while the remoteness from the organized markets generally influence farmer's decision to sell locally at comparatively low prices. It is estimated that producers of farm products in Pakistan get 65% of the consumer price for their non-perishable commodities and 25-55% for perishables.

Middlemen are usually held responsible for farmer's low share in the consumer rupee and are blamed for exploiting the farmers. Government is usually urged to eliminate or minimize the role of middlemen from the marketing chain for increasing welfare of both the consumer and producer. The role of middlemen acting as a link between producers and consumers is very complex and needs an in depth analysis before concluding any results. Mostly they operate in the markets and coordinate producers with consumers under different terms and conditions. Village dealers, pre-harvest contractors (in fruits), commission men, brokers, wholesalers and retailers etc. constitute this group in our country.

Conclusion:

Agriculture is **Bank Bone** of our country. Now way days agriculture field transferring into Industries, Companies, Sites, Buildings due to lack of interest in agriculture and lack of profit in agriculture field. This may arises due to impact of intermediaries in price fixations of agriculture products. But this one reason, there are many secondary reasons may affects the agriculture field. People should understand the importance of agriculture and they should realize agriculture is not a business. It is our life.

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