

# THE STATUS QUO OF AGRICULTURAL MARKETING INFRASTRUCTURAL FACILITIES IN MALDA DISTRICT OF WEST BENGAL.

**Dr. Monirul Islam**

Assistant Professor, Department of Business Administration  
Aligarh Muslim University, Murshidabad Centre, Jangipur Barrage, Ahiron Murshidabad,  
West Bengal -742223  
E-mail: moni05081985@gmail.com

## Abstract

The scope of this paper is to analyze the present and existing situation of agricultural marketing infrastructural facilities in Malda district of West Bengal. The place of choice and selection is Malda because it has direct ties to the author of this paper and the native place as well. After obtaining primary and secondary sources of data, including surveys with the business owners and from the direct experience of the author real picture of the district status has been depicted. Based on a multidimensional analysis of the prevailing infrastructure, it was clear that more questions surfaced than were answered. The information used by the author in this analysis originates from two primary sources and many secondary sources. The author also believe that this analysis can have direct implications for the family farms in addition to other mango farmers and supply chain analysts working in agribusiness and searching for sustainability frameworks. Some of the recommendations have been suggested based on the findings and analysis of the study.

**Keywords:** agricultural marketing, infrastructure facilities, supply chain, storage, processing

## INTRODUCTION

Malda is a district covering area of 3733 sq Km with Bihar and Uttar Dinajpur at North, Murshidabad at South, Bangladesh at east and Jharkhand and Bihar at West. It shares 165.5 km international border with Bangladesh. Having a central location it is an important junction and entry point to Siliguri from South Bengal. The river Ganga makes its first entry in West Bengal near Manikchak of Malda. As it is a low lying basin, it is prone to flood. Mangoes are widely available year-round, as fresh fruit and in frozen and processed foods. It accounts for 40 percent of the national fruit production in the country and 42 percent of the country's land under fruit cultivation. India is estimated to account for about 60 percent (9.5 million tons) of the world's mango production of 15.7 million tones. In terms of exports, India exported 79,060.88 million tones of fresh mangoes, with a value of 141.93 crore (US\$31.48mn) in 2006-07. Further, West Bengal is one of the top-ten mango-producing states in India, which constitutes 22.3 percent of the total fruit production in the state during 2005-06 (National Horticulture Board, 2014).

## REVIEW OF LITERATURE

**Jain (1971)** had studied the system of agricultural marketing and made a comprehensive review of practices prevailing in India for the marketing of agricultural produce. He made a thorough study of factors affecting the general level of prices of agricultural commodities and the specific prices in different markets over different time periods. His analysis into the various factors determining the extent of marketing costs and their impact on profitability of agricultural operations provides an excellent theoretical framework for enquiries into this important aspect of marketing.

**Prabhakara Rao (1985)** had studied the marketing of agricultural products in Guntur district in Andhra Pradesh. His study includes a thorough review of existing arrangements for marketing, an appraisal of their effectiveness and suggestions for enhancing their efficiency. His study comprises an exhaustive appraisal of the functioning of regulated markets in the district.

**Misra and Puri (1990)** had studied the arrangement for agricultural marketing in India with a specific reference to unorganised markets, their characteristic features, nature of operations, deficiencies and the impact of the deficiencies on the effectiveness with which marketing activities are performed. They made a study of various government initiatives in the direction of market improvement and the result of such initiatives on the performance of the market in the rural areas.

**HabeeburRehman (2003)** in his treatise on rural marketing makes a study of the existing system of agricultural marketing. He also reviews the role of the Government in the areas of market research, market training, market extension and market improvement.

### Selection of Site for the Study

Malda, being the area with the highest production of mango in the state and also the district, with the largest area dedicated to mango cultivation, was the most obvious choice for the study. Malda was also declared an Agri Export Zone for Mango under *the EXIM Policy 2001*. Further, due to its proximity to Bangladesh, the area is highly convenient and suitable as a hub of inter-country mango trade between India and Bangladesh. In Malda, the study concentrated on AmritiGram Panchayat and SadullahpurGram Panchayat of Englishbazar Block and Araidanga Gram Panchayat of Ratua-II Block, SujapurGramPanchayat and KaliachakGram Panchayat of Kaliachak-I block selected primarily on the basis of feedback received from the exporters and mango merchants.

### Research Methodology Adopted

To meet the objective of the study necessary data on agricultural marketing infrastructures such as agricultural produce markets, sub yards rural periodic markets, storage and warehousing facilities, roads, transport vehicles, grading, communication, and post harvest technology were collected from the annual report of various ministries & their directorate dealing in the subject i.e. Directorate of Marketing & Inspection, Ministry of Agriculture, GOI, New Delhi, National Horticulture Board, Ministry of Agriculture, GOI, New Delhi, Ministry of Transport, GOI, New Delhi, Directorate of Surface Transport, Department of Telecommunication, Ministry of Communication, Warehousing Corporations working under Ministry of Food & Civil Supply, Report of Expert Committee on Strengthening and Development of Agricultural Marketing etc. Entire information has been culled out from the published reports and websites of the ministries. The data has been analysed with the help of

simple statistical tools and presented in tabular form. However the qualitative dimension has been discussed which are related to the objective of the study.

**Adopted sampling technique:** Convenience and Judgment technique has been used for the case study. An open ended questionnaire developed and an interview has been conducted. In order to get real and more perspectives focus group discussions has been conducted successfully.

## RESULTS AND DISCUSSIONS

### (i) Agricultural produce markets

Agricultural produce regulated markets have been playing a major role in the smooth distribution of agriculture based products to meet the supply and demand needs of the farmers, traders, processors and consumers of the State. The research studies revealed that farmers on an average gets 8 to 10 per cent higher price and higher share in the consumer's rupee by selling their produce in the regulated markets compared to rural, village and unregulated wholesale markets. The benefits got by the farmers by sale of agricultural produce in the regulated market varies from area to area because of the variation in the spread of regulated markets over the regions and the existence of necessary infrastructural amenities/ facilities in these regulated markets. There are 7157 agricultural produce regulated markets in the country by the end of March 2010. There is uneven spread of these regulated markets in the districts of the state. The average area served by each regulated market also varied considerably among the states of India.

Most of the regulated markets at present still awfully lacks facilities for handling produce as less space for auction platform, inadequate number of shops and godowns in the premises etc. and hence reduces the effective participation of traders. Absence of storage godowns at market level further perpetuates the problems of traders in general and continuous movement of goods in particular. Regulated market: Samsi Regulated Market and English Bazaar Regulated Market, famous for Mango and Litchi. Storage facilities: Potato storage: 3 cold storage having total capacity of 2, 50,424 quintal

**Table 1- Major agricultural/ horticultural markets in Malda**

Category-wise Regulated Markets in Malda District (West Bengal) (As on 31.10.2008) (In Number)		
District	Principal Market Yard	Sub-Market Yard
Malda	2	17
<b>West Bengal</b>	<b>43</b>	<b>641</b>

**(Source: West Bengal State Marketing Board)**

A rural periodic market/ haats is the first contact point for producer – sellers for en-cashing his agricultural produce and income. There are about 27,294 rural periodic markets in the country. The minimum necessary infrastructural facilities do not exist in these rural periodic markets. Besides above after market reform initiatives for alternative marketing methods have also been taken.

### (ii) Storage infrastructures

This capital-intensive marketing infrastructure is necessary for carrying the agricultural produce from production seasons to consuming periods. Lack of inadequate scientific storage facilities cause heavy losses to farmers in terms of huge wastage of quantity and quality of crops in general and of fruits and vegetables in particular. Seasonal fluctuations in prices are aggravated in the absence of these facilities. To have storage facilities in the country, the Agricultural Produce (Development and Warehousing) Corporation Act was enacted in 1956. The State Governments also enacted the

warehousing Acts during July 1957 to August 1958. The scheme of Warehousing, Rural Godowns and Cold storage's have been initiated in public, cooperative and private sectors in the country to meet the storage needs of the producers in different areas.

**Table-2 Total number of Central Warehouses (Cont, Hired Open and Management) and their Capacities in Malda District**

Central Warehouses (Cont, Hired Open and Management) and their Capacities in Malda District (West Bengal) (2014-2015)						
(Capacity in Lacs MT)						
District	Warehouse Centre	Const	Hired	Open	Mgmt	Total
Malda	Malda	17400	0	0	0	17400
<b>West Bengal</b>		<b>392659</b>	<b>81205</b>	<b>150895</b>	<b>10500</b>	<b>635259</b>

(Source: Ministry of Consumer Affairs, Department of Food & Public Distribution, Government of India)

- **Cold Storage:** With a view to enhance shelf life of perishables, cold storages in the country have also been promoted. Presently a total of 5274 cold storages are in the country with a total capacity of 24.31 million tons. Most of these cold storage units are in the private sector. Public and cooperative sector accounts for a very small capacity. The present storage capacity of cold stores is sufficient for only 12 percent of the total production of fruits and vegetables. There are only four states i.e. Punjab, Uttar Pradesh, West Bengal and Rajasthan which have more than all India average capacity available for their produce. The demand for cold storage facilities is there for other agricultural products also. Presently density of cold storage is about two per thousand sq. km of area. Looking to the available quantities of perishable products (fruits & vegetables) the cold storage capacity available in the country is inadequate and requires their promotion both in the production as well as consuming areas of the State.

**Table 3- Multipurpose cold storage in Malda**

Block	Number	Total Capacity(Qt)
Harishchandrapur	1	36854
English Bazar	1	50000
Old Malda	1	32480
Samsi RMC	1	870
Tulsihata PMY	1	870
English Bazar RMC	1	870

(Source: Directorate of Agriculture Marketing, West Bengal)

- **Reefer Vans/ Containers:** For transport of perishable produce to domestic and export markets reefer vans/ containers are required. Their availability increased from 431 in 2001 to 3711 during 2010 but this is extremely low looking to the need for transportation of perishable commodities from one area to another. Thus the country would also need reefer containers/ vans for transport of perishable commodities for domestic and export marketing.

**(iii) Transport and communication infrastructure**

A well-developed and efficient system of transportation helps in the expansion of markets, reduces the transport time and costs of transportation of the commodities. Roads in movement of produce are just like the arteries in human body for blood circulation. Village roads in India is about 26.50 lakh Km. Majority of the agricultural produce, producer of the tribal areas and perishable farm products are still confined to village markets for sale of their produce for want of surfaced roads and sufficient means of transportation.

Railway wagons are also used for transportation of agricultural commodities from wholesale markets to consumption centers. Railway route length in the country is not sufficient and electrified track is not even bare minimum. The existing rail facilities in the country are highly inadequate. Rail lines even do not connect some of the districts in the country. The air cargo facilities are also available in limited number of States. Existing air cargo facilities are in poor condition and much below the international standards.

**(iv) Food parks and pack houses in specialized growing regions**

India is second largest producer of fruits & vegetables. With a view to tap export markets and catering to the need of bulk buyers, mechanical graded and packed house are required in the horticulture growing areas. Certain activities like cleaning, washing, grading, packaging, refrigerated transportation etc. are to undertaken in conformity to international trade. To address these problems, APEEDA a implemented a scheme for catering Export Oriented Agri- Zones. Under the scheme so far about 111 grading and pack houses has been established so far to answer the need of export markets. Besides these, food parks have also been established in the country with a view to give exposure to farmer – producer. Though 56 food parks have been established in the country, yet their availability is confined to only 20 states.

**(v) Market information system (MIS)**

Farmers need information to aid them in planning their operations right from the time they plant these seeds until the produce passes the hands in the market. Market information helps the farmers in comparing the prices offered by different firms in different markets and also in the selection of alternative outlets available. The MIS reduces business risks of farmer - sellers and traders. There are 435 MIS centers in the country. Wholesale prices of important agricultural commodities from selected markets are collected daily by these centers and are transmitted to Head office for further transmission to TV and AIR stations.

Electronic medium has been used for transmission of information in various industries. However, their use in agricultural markets is relatively low. Markets of some States are linked with National Information Network (NIC-NET) to provide the speedy and timely dissemination of market information to the growers. Under the scheme about 301 lagmarknet nodes have been promoted in the country so far. Out of these 92 percent have been promoted in the agricultural markets where as remaining are used for monitoring and follow up.

**(vi) Risk management & e – trading infrastructure**

Agricultural commodities experiences wide fluctuations in their prices largely due to monsoon and their seasonality. Due to these fluctuations farmers faces huge uncertainties. Derivates products like forward, future and options are the risk management tools which can be used to avoid the impact of unexpected price changes in future price movements. Forward and future contracts enable price discovery. Commodity future markets in the country have been promoted by establishing various exchanges. At present their number is 29 only. However, only 20 exchanges are effectively working. Future trading in agricultural commodities has also been allowed for 54 commodities. Forward trading has been extended to 39 agricultural commodities only. However the transaction undertaken through these exchanges so far has been minimal but experiencing a rising trend. All out efforts are needed to establish more exchanges for enhancing trading in agricultural commodities as well e-trading so as to promote direct marketing of produce.

**(vii) Post harvest technology**

Post-harvest technology infrastructure especially for perishables, less perishables and non-perishable commodities is of critical importance to preserve their quantity and quality. A substantial quantity of produce is lost on account of poor post harvest technology and careless harvesting, assembling, preserving, packaging and use of technology for quality control. State Agricultural Marketing Board, Directorate of Horticulture and Post-Harvest Technology Centers established for specific crops by ICAR has initiated the process for promotion of Post Harvest Technology in the form of providing of know-how on different aspects to the farmers and orchardists of the country.

**(viii) Marketing education and training**

There is increasing need to provide market education and training to the farmer – producers, traders, marketing personnel, policy makers etc. on a continuous basis based on regular research studies. These improves know how and decision taking power of the farmers as to when, where and in what form to sell the produce. The Directorate of Marketing & Inspection, State Agricultural Marketing Board, State Marketing Department, Agricultural University and National Institute of Agricultural Marketing are engaged for helping the farmers and market functionaries in these areas. However, the available inputs in these areas are not sufficient to cater to the needs of all the growers and other stakeholder because of varied agro-climatic conditions.

**(ix) Marketing institutional infrastructure**

Following marketing institutions have been created in the country during the last 60 years:

**(I) Public Sector Marketing Organizations:**

- (a) Food Corporation of India (FCI)
- (b) Cotton Corporation of India (CCI)
- (c) Jute Corporation of India (JCI)
- (d) State Trading Corporation (STC)
- (e) Commodity Boards – Tea, Coffee, Cardamom, Rubber, Tobacco, Spices, Areca nut, Horticultural Crops, Dairy Products (NDDB)
- (f) Directorate of Marketing and Inspection (DMI)
- (g) Agricultural Produce Market Committees (APMCs)
- (h) State Agricultural Marketing Boards (SAMBs)
- (i) Council of State Agricultural Marketing Boards (COSAMB)
- (j) Commission for Agricultural Costs and Prices (CACP)
- (k) Commodities Export Councils
- (l) Agricultural and Processed Products Export Development Authority (APEDA)

**(II) Cooperative Marketing Institutions**

- (a) Primary, Central and State level Marketing Societies, Unions, and Federations.
- (b) Special Commodities Marketing Societies (Sugarcane, Cotton, Oilseeds, Milk etc.)  
Processing Societies
  - Cotton Processing and Ginning Societies
  - Oilseeds Processing Societies
  - Fruits and Vegetables Preservation Societies
  - Sugarcane Crushing Societies
  - Milk Processing and Chilling Societies; etc.
- (c) National Agricultural Cooperative Marketing Federation (NAFED)
- (d) National Cooperative Development Corporation (NCDC)
- (e) Tribal Cooperative Marketing Federation (TRIFED)

### Limitations of the Study

Unusable delay in getting information about the resources, single handedness of the researcher, time & resource constraints are the limiting factor for carrying out time series analysis, which might distort the policy for development of these marketing facilities.

## CONCLUSION AND SUGGESTIONS

The conclusion that emerges is that, for the present stage of development of economy of Malda, the existing marketing structure is in need of radical overhaul. With the poor regulation of an increasing number of markets and the adoption of unfair system of sale, with paused system of transport and communication facilities, with increased unhealthy competition and poor market news dissemination, with the slow and flat contraction of storage and warehousing facilities, with the extensive non adoption of standardized grading, with the non application of improved technology at packaging and processing stages, the marketing structure that exists presently needs a serious attention and intervention by the government both at local and national level.

There is a strong need for:

1. Creation of necessary infrastructural facilities in all the regulated markets of Malda.
2. Regulation of all primary and secondary wholesale markets to minimize the variation in their spread.
3. Develop the periodic/rural markets with minimum necessary infrastructural facilities as these are the main contact points for sale of agricultural produce by the small size farm operators.

On storage front also there is need for (i) Construction of more scientific storage structures especially in rural areas of Malda for protection of produced agricultural output. (ii) Private sector involvement is necessary for creation of more storage structures and cold stores as it is highly capital intensive marketing infrastructure. Then the grim situation will improve considerably. With the liberalization and favorable trade environment in the country, there is an urgent need to speed up the work of all weather-surfaced roads, double lane road and rapid expansion of transportation system in the various States. Besides this railway lines have to be extended to remote areas too.

In the case of most of the changes that are necessary, it is obvious that government sanction, support, and even exemplary initiative, is essential. If this is provided, then there is no reason why one should not expect the private sector agricultural marketing system to keep pace with the progressive development of the other segment of economy of West Bengal.

## REFERENCES

1. GouharAyub and MahrukhSiraj, Mango Commodity Chain Study: Knowledge Gap and use of ICTs in the Chain in India, 5, 9 (2008).
2. HabeeburRehman (2003). "Rural Marketing in India", Himalaya Publishing House, Mumbai, pp.121-127.
3. Jain, S.S. (1971) "Principles and Practice of Agricultural Marketing and Prices", Vora and Co. Publishers Private,. Ltd., Bombay, pp. 221-252.
4. Misra, S.K and Puri, V.K. (1990). "Indian Economy-Development Experience" Himalaya Publishing House, Mumbai, pp. 560-573.
5. Prabakar K., Raghuander T., Parthiban V. K., Muthulakshmi P. and Prakasam V., Post Harvest Fungal Spoilage in Mango at Different Levels Marketing, *TNAU, Coimbatore*, 92, 42-45 (2005).
6. Prabhakara Rao, J.V. (1985). "Marketing Efficiency in Agricultural Products", Himalaya Publishing House, Mumbai, pp.109-121.
7. [http://nhb.gov.in/report\\_files/mango/MANGO.html](http://nhb.gov.in/report_files/mango/MANGO.html) accessed on 09 August 2015.
8. The times of India and The Economic times report on mango, accessed on 5 July 2015.