

An Overview of Agricultural Marketing and Agri-Business Schemes in Tamil Nadu

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SUMMARY

Agricultural marketing infrastructure plays a pivotal role in fostering and sustaining the tempo of rural economic development. Marketing is as critical to better performance in agriculture as farming itself. The Vision of the Department of Agricultural Marketing and Agri-Business is to ensure fair price to the farming community who are left behind in the competitive marketing scenario and the mission of achieving this is by enforcing the existing act and rules most effectively and also by devising, implementing new technologies aimed at reducing pre and postharvest losses through appropriate methods and encourage value addition. Green Revolution initiatives achieved self-sufficiency by increasing food grains production. Simultaneously, several initiatives have been taken to promote agricultural marketing in the state.

INTRODUCTION

Agricultural marketing covers the services involved in moving an agricultural product from the farm to the consumer. These services involve the planning, organizing, directing and handling of agricultural produce in such a way as to satisfy farmers, intermediaries and consumers.

Characteristics of agricultural marketing

- Bulkiness, Perishability,
- Wide Varietal Difference,
- Seasonality,
- Dispersed Production and
- Processing Needs for Consumption.

Regulated markets are functioning under market committees. At present 21 agricultural production Market committees (APMC) are functioning in Tamil Nadu at district Level.

Agribusiness

Agribusiness is a process, which starts with a decision to produce a saleable farm commodity and it involves all the aspects relating to pre and post-harvest operations including grading, value addition, packaging, processing and transportation. These operations add value to farm produce. The Department of Agricultural Marketing, which is functioning since 1977, with the main objective of Regulation of Agricultural Marketing, was renamed in the year 2001 as Department of Agricultural Marketing and Agri. Business in order to focus on other activities like Agri. Export, Post-Harvest Management, Food Processing and and Agricultural Marketing developmental activities.

Activities

- To create marketing opportunities for small and marginal farmers in cultivation of fruits, vegetables and flowers by formation of groups this includes production, storing and export through TamilNadu Small Farmers' Agribusiness Consortium (TNSFAC)
- Commercial grading of agricultural produce in the regulated markets and at farm holdings to help the producers to get remunerative price for their produce.
- To take up AGMARK grading of agricultural, animal husbandry and forestry products for the benefit of the consumers.
- Setting up of Supply Chain Management for Fruits, Vegetables and other Perishables by promoting export of agricultural produce by increasing the area under exportable crops, providing necessary Post Harvest Management and other infrastructure like Primary Processing Centres, Main markets and information on prices prevailing at international markets as an integrated approach.

- To set up modern cold storage facilities to enable the farmers to store and sell their produce at favourable price level (Cold chain from farm to market).
- To promote Food Processing Industries by establishing food processing policy for Tamil Nadu there by helps entrepreneur to take food processing business through creation of infrastructure ,Road facilities, assured raw material supply ,Technical guidance and linking od Domestic and International Markets.

Agricultural Marketingschemes

TNSCM (Tamil Nadu Supply Chain Management Project)

With a vision of integrating and strengthening the supply chain of fruits and vegetables in the State, **Tamil Nadu Supply Chain Management Project (TNSCM)**, first of its kind in Tamil Nadu was implemented in 10 Districts *viz.*, Krishnagiri, Dharmapuri, Coimbatore, The Nilgiris, Tiruchirapalli, Dindigul, Theni, Ramanathapuram, Thoothukudi and Tirunelveli (undivided district) at a total cost of Rs.482.36 Crores.

Objective

- Provide integrated and complete supply chain management and infrastructure
- Provide necessary support for market integration with major market centers, processors and consumers
- Reduce post-harvest losses of fruits, vegetables and other perishables
- Ensure remunerative price to the farmers
- Bring in other stakeholders to make them part of the supply chain and expand outreach benefitting the farming community

A total of 64 Primary Processing centres with Post-harvest infrastructure facilities such as Pack house, Cold storage, Storage Godowns *etc.* are equipped with State of the art facility for cleaning, washing, sorting, grading, packing and forward transactions using single/multiple vegetable or fruit process lines. Also modern infrastructure like APEDA pack house, IQF facilities, Hot water/ Vapour Heat Treatment unit, Irradiation unit created in some of the PPCs will form the basis for accesses of export facility by farmers of Tamil Nadu and promote export of Fruits and Vegetables. The Primary Processing Centres (PPC) are operationalized through Farmer Producer Organizations who are selected as Market Integration Partners.

Extension of Supply Chain Management project to another 8 Districts (Salem, Erode, Tiruvallur, Kancheepuram, Tiruvannamalai, Cuddalore, Villupuram and Karur) proposed with a total financial outlay of Rs.102.47 crores with Warehouse Infrastructure Fund of NABARD in order to benefit the farmers. 20 Primary Processing Centres with post-harvest infrastructure facilities such as grading and packing hall, machineries for primary processing of focus crops, cold storage, ripening chamber *etc.* will be established under Phase II of Supply Chain Management Project.

e- National Agriculture Market (e-NAM)

Government of India launched e-NAM (National Agriculture Market), a pan India electronic trading platform, to facilitate farmers, traders, buyers, exporters and processors with a common e-platform for trading commodities at the National Level. e-NAM is implemented by Government of India in 585 Mandy's in 16 States, 2 Union Territories since April 2016 in three phases. Amendments have been made in the existing Tamil Nadu Agricultural produce Marketing (Regulation) Act 1987 on e-Trading, single point levy and unified single license. e-NAM is implemented in Tamil Nadu in the 3rd Phase since October 2017. In Tamil Nadu, out of 282 Regulated markets, 23 Markets are integrated under e-NAM.

In Phase 1, 15 Regulated Markets *viz.*, Ammooor (First to be launched on 24.10.2017), Annur, Anthiyur, Dindigul, Gobichettipalayam, Paramakudi, Sathyamangalam, Thirukovilur, Ulundurpet, Cumbum, Chenji, Tiruppur, Udumalpet, Pethappampatti and Kalavai have been integrated as e-NAM markets.

In Phase II, e- NAM was introduced in March 2018 in 8 Regulated Markets *viz.*, Virudhachalam, Kallakurichi, Anaimalai, Perundurai, Lalgudi, Vellakoil, Paramathivelur and Madurai. Further, Integration permission for 7 Regulated markets and 33 additional Markets, totaling 40 has been obtained from Government of India and they will be integrated with e-NAM portal. Facilities for e-trading, e-bidding, e-auctioning and assaying and related infrastructure will be provided, which would fetch competitive and better price to the produce thereby improving the livelihood of farmers.

To provide expanded market access to the traders and farmers, Unified Single License was introduced to trade in the Regulated Markets of other Market Committees too which in turn enhances the opportunity of the farmers in getting better price. A trader who obtained Unified Single License can trade in all the notified markets of the State and this License is valid for three years.

National Agricultural Development Programme (NADP)

NADP is the Centrally Sponsored Scheme in which 60% contribution by Central assistance and 40% by State assistance. The infrastructure such cold storages, Specialized Market Complex, Market Complex with Cold Storage, Input shops, Spice Complex, Storage Godown, Transaction Shed, Rural Business Hub, Ripening Chamber, Drying yard, e-learning center and machinery/equipments has been established under NADP from 2008-09 onwards and it is being utilized by the farmers. E-learning centres have been created to disseminate information on post-harvest management and marketing through exhibits, audio visual aids, touch screen kiosk, documentaries on various Agricultural Marketing interventions and latest developments in Agri Business sector. 20 e-learning centres have been established at a cost of Rs.14.34 Crores during 2016-17 and 2017-18.

In the year 2017-18, 5 Mobile Tomato Pure Vending Machine was established and handed over to Farmer Producer Organizations. In the year 2018-19, the Maize Market Promotion Centre at Cuddalore was established and handed over to Farmer Producer Organizations. In the year 2019-20, Coconut Value Addition Centre was established at Kanyakumari and strengthening of AGMARK Lab at Virudhnagar are being established.

SFAC (Small Farmers Agribusiness Consortium)

SFAC is an autonomous society promoted by Ministry of Agriculture, Cooperation and Farmers welfare and it's an exclusive Society focused on increasing incomes of small and marginal farmers through aggregation and development of agribusiness. SFAC has pioneered the formation and growth of Farmer Producer Organizations/Farmer Producer Companies, which is now being implemented across the length and breadth of the country. SFAC is progressing towards establishing an eco-system for FPOs/FPCs to make them sustainable and viable in the long run. SFAC offers Schemes like Equity Grant and Credit Guarantee Fund Scheme to FPCs to improve availability of working capital and development of business activities. SFAC promotes development of small agribusiness through its VCA Scheme for value added processing and marketing linkages. SFAC is also implementing the National Agriculture Market Electronic Trading (e-Nam) platform. The purpose is to provide for a single unified market for agricultural products with much higher price discovery for farmers.

SAMPADA (Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters)

The central sector scheme SAMPADA (Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters) was approved by the cabinet in May 2017 for the period of 2016-2020 coterminous with the 14th Finance commission cycle. The scheme has now been renamed as the "Pradhan Mantri Kisan Sampada Yojana". The Government has approved the establishment of a Mega Food Park in an area of 53.36 acres at Gangaikondan, Tirunelveli district. With an objective of increasing Farmer's income, reducing wastage of food products, value addition of Farm products, increased employment etc., in the Budget Speech of 2020-2021. It was announced that Food Parks / Agro Processing Clusters will be established in 7 locations of Tamil Nadu viz., Ariyalur, Perambalur, Karur, Nagapattinam, Dharmapuri, Ramanathapuram and Tenkasi. A total of 8 more Agro Processing Clusters at a cost of Rs.218 crores are proposed to be established in Theni, Dindigul, Krishnagiri, Tiruvannamalai, Salem, Cuddalore, Villupuram and Madurai districts during 2020-21 under the Pradhan Mantri Kisan SAMPADA Yojana (PMKSY).

TNIAMP (Tamil Nadu Irrigated Agriculture Modernization Project)

Tamil Nadu Irrigated Agriculture Modernization Project (TNIAMP) is being implemented for six years from 2017-18 to 2022-23 in 66 sub-basins with a project outlay of Rs.125 Crores. TNIAM Project aims to promote farmer Producer Organizations, investment support to these FPCs, supporting Business expansion grant to existing FPCs and creating opportunities for Agri-business development for Agri entrepreneurs and Modernization of Regulation Markets to get remunerative price for Agricultural Produce.

- Under this project the prime activity is formation of 80 New Farmer Producer Organizations.
- Support to existing 40 Farmer Producer Companies for expansion of business, grant for 2 years (75% of TNIAMP Grant & 25% FPC Contribution)
- Modernization and Digitization of three Regulated Markets at Srimushnam, Kurinjipadi and Sivagiri
- Piloting e-Negotiable Warehouse Receipt (e-NWR) in four selected godowns
- Facilitating Public Private Partnership mechanism through Interface Workshop/Seminars, Facilitation workshop for Agro entrepreneurs and Capacity building training
- Promoting Agri enterprises through setting up of Agri Business Promotion Facility (ABPF).

CONCLUSION

Farmers are experiencing difficulties in realization of products on local and regional markets. The government should promote development of cooperatives of farmers and improving access to qualified service ensures increasing productivity in agricultural sector. From strategic perspective, creating the database of the people seeking jobs will support to attracting additional labor and development of agribusiness. Irrigation system should be developed and the network of irrigation channels need to be expanded; this will significantly contribute to the development of agribusiness; It's important to develop a strategy of delivering special training courses for farmers in agricultural sector; Farmers need to be supported in establishing cooperatives. Development of primary production, processing and production chain; improvement of resource base and providing information to market participants, development of commodity market, integration with international markets, development of infrastructure and technological base.

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