Abstract- The goal of each country is to increase productivity so as to fulfill all the wants and needs of its citizens and to improve standard of living of its people. As a national economy develops, its functions also change. The first stage is to increase production, which is then followed by consolidating production to maximize efficiency and profitability. The last stage is that of finding new and different market outlets or customers. The word ‘market’ is a derivative of the Latin word ‘marcatus’ meaning thereby merchandise, ware, traffic, trade or a place where business is conducted. The word market has been defined in different ways by different authorities. The following are a few definitions of market “Market includes both place and region in which buyers and sellers are in free competition with one another”. This paper is deals with the classifications of marketing and the main functions of the good agricultural market in India.

I. INTRODUCTION

The goal of each country is to increase productivity so as to fulfill all the wants and needs of its citizens and to improve standard of living of its people. As a national economy develops, its functions also change. The first stage is to increase production, which is then followed by consolidating production to maximize efficiency and profitability. The last stage is that of finding new and different market outlets or customers.

The word ‘market’ is a derivative of the Latin word ‘marcatus’ meaning thereby merchandise, ware, traffic, trade or a place where business is conducted. The word market has been defined in different ways by different authorities. The following are a few definitions of market. Market includes both place and region in which buyers and sellers are in free competition with one another”. This paper is deals with the classifications of marketing and the main functions of the good agricultural market in India. The term market may mean and include the following: It may mean a place as an open space (in the village) or a large building (public or private) where actual buying and selling takes place. An assembly or a meeting together of people for their private purchases and sale of goods at a stated time and place. Such are the periodical markets or village fairs where both buyers and sellers come together and conduct their transactions. An area of operation or the geographical or economic extent of the commercial demand for commodities. The market may extend to a locality, village, town or a country according to the demand of a commodity. It may mean all the inhabitants of a country. For example, the Indian market, it refers to the total population of India and the purchasing power in the aggregate: An aggregate may compose of perspective buyers, both buyers and seller/ that brings to focus the conditions and forces which determine prices. Ordinarily marketing means buying and selling of commodities the value of which is determined in terms of money. But in economic sense, marketing has been defined as business activities involved in the flow of goods and services from producer to consumer excluding only those activities that involve the changing of the form

Objectives:

1. To find out the different classifications of the agricultural marketing
2. To analyze the functions of the agricultural marketing

Methodology

This paper is based on secondary data and the sources is collected from Books, Journals, online journals and web site

Since marketing – the distribution of goods – creates the utilities of time, place and possession, the economists treat marketing as a part of production. That is the economic basis of marketing. Marketing has been described differently in different ways. It includes all activities involved in the creation of place, time and possession utilities. The process of marketing makes goods and services much more valuable when they are wanted and transferred to the people and at a place where they want them. Marketing is the process of discovering and translating consumer needs and wants into product and service specifications, creating demand for these products and services and then in turn expanding the demand.” Marketing is the business process by which
products are matched with markets and through which transfers of ownership are effected.

According to Peter F. Drucker, “Marketing is not a function of business, but a view of the entire business seen as the economic organ to provide goods and services. This is the marketing view of business. Everything the business does in that respect is marketing. Marketing is not only much broader than selling; it is not specialized activity at all. It encompasses the whole business, concern and responsibility for marketing must, therefore, permeate all areas of the enterprise”.

The object of marketing as of all productive activities is to satisfy human wants. We do not consume or take bread to give the farmers market for his produce but what he grows is the demand of the people and if that is not satisfied in the locality itself it is imported from other centre’s of production. Marketing as those business functions which are most directly and primarily concerned with three activities, the recognition of the demand (or potential demand), the stimulation of the demand (through promotion and selling); and the satisfaction of the demand.

Agricultural Marketing is a process whereby the producer and the buyer are brought together. The producer refers to all those engaged in farming land. The buyers are classified under three main categories: CONSUMERS : Who buy for their direct consumption such products as wheat, rice, pulses etc. PRODUCERS: Who buy agricultural products for use as intermediate goods for processing/manufacturing and MIDDLEMEN : Who buy agricultural products, raw processed for resale.

II. TYPES OF AGRICULTURAL MARKET

Market for agricultural produces may be broadly classified into Village Markets, Primary wholesale markets, Terminal markets and Retail markets

Village Markets: Practically each village or cluster of small villages has a market. These generally assemble once or twice a week. The days on which these markets meet are fixed so that the itinerant traders can visit the area. Most of the transactions in these markets involve small quantities: Producers sell their surpluses and purchase supplies for their daily requirements. Part of the produce is purchased by small retailers, who, in turn, sell it to the non-farm rural population or, later in the season back to the cultivators themselves. The rest of the produce is purchased by intermediaries and finds its way to the wholesale market. Village markets are very poorly equipped; most of them are uncovered and without storage, stallage or drainage facilities. In addition, roads linking most of these markets to towns and wholesale markets are so poor. Some markets lack roads completely. No postal or telephone facilities are available. Producers from within a radius of 5 to 10 miles gather in these markets to sell their small surpluses. Agricultural produce and livestock are usually sold in these markets popularly known as hats or shandies. Such markets are organized by village panchayats and every shop keeper has to pay some rent for the space he occupies. Here bargaining is a common feature. The village bania acts as a middleman in return for a small commission.

Primary Wholesale Markets:

Such markets are held in a fixed place and daily transact a large volume of business emanating from the village markets. Some wholesale markets also serve as assembly points for distant producing centres. Most of these are situated in district or taluk a head-quarters or important business centers. These are better equipped with such facilities as post and telegraph offices. They are generally connected to distant consuming and terminal markets by roads. Many of them are situated on railway lines. They are popularly known as Mandis. Fruits, grams, vegetables, cotton, etc. are sold in these markets.

Terminal Markets:

These markets are generally situated in large urban centers where part of the produce is sold for local consumption and the rest is forwarded to other consuming centers. In such markets transactions take place mainly among traders, instead of between cultivators and traders. They are better equipped with adequate modern storage and warehousing facilities.

Retail Markets:

These markets are found scattered all over the town or a city or concentrated in particular localities. They are owned by retailers subject to municipal control. They are owned by the retailers subject to municipal control. They usually deal in all types of produce and serve the needs of the city people as well as the surrounding villages e.g. cloth market, vegetable market, shoe market, hardware market, sweetmeat market, grocery market etc.

The marketing of agricultural produce involves several activities such as collecting and storage of agricultural goods, their transportation to sale points, their gradation, settlement of bargains etc. In the performance of this sale-purchase function, marketing agencies render valuable service to the economy on several counts. One of the important reasons why rural masses continue to reel under high indebtedness relates to distress sales at the time of
harvest. Their holding capacity is not known to be great against the adverse market forces. Support prices are not available to all crops. And where they do, communication problems obstruct farmers to take full advantage. Not all agricultural produce has the same shelf life. Some are more perishable, some are less, and some are even durable. Cotton and milk offer contrasting cases of long and short shelf life. In between are other agricultural commodities like vegetables, fruits, cereals, pulses, oilseeds, poultry, eggs, live and dead animals, fish, ghee, honey, etc. Each has its own characteristics that disallow common marketing recommendations. Packaging and storage requirements vary for different commodities. Honey, wheat and milk are processed, packed and stored differently. Farm and non-farm households have different limitations and strengths. In general, distress sale occurs when producers are indebted or are located away from markets.

III. FUNCTIONS

Most of the agricultural products are seasonal crops. It is therefore required to make all these products available in all seasons. To make all these products available in all season, the following factors are responsible

Assembling

1. Grading
2. Standardization
3. Packing and packaging
4. Processing
5. Storage
6. Transportation
7. Market Information
8. Financing
9. Risk Facto
10. Insurance

(1) Assembling: Assembling is the most important of the marketing functions. Assembly means “the seeking out of sources of supply, buying wisely as to quantity, quality and variety and making commodities available when and where they are wanted “. The following factors explain as to why agricultural produce should be assembled at a particular place:-

(i) An average agriculturist relatively produces a very small quantity as a result of that he cannot carry it economically to the market.
(ii) Quality of the produce differs from place to place and season to season
(iii) Different crops are grown in different seasons and, hence, their supply fluctuates
(iv) Demand for different produce varies from consumer to consumer.

(2) Grading : Grading is the process of sorting individuals specimens of a given product to the standard grades or classes to which they belong. To grade is to divide commodities into lots which have approximately the same characteristics of types, of size or quality or of two or all of these. The presence of a grading system makes possible a comparison of values of different qualities of a product in a single market and of differences in price of the same grade in different markets. Such comparisons are constantly necessary for keeping prices of the different grades in different markets in line with each other. Thus, the grade becomes part of the price structure of the commodity.

In other words, grading is the process of dividing a quantity of the same kind of product into uniform groups according to certain standards of size, shape, colour, texture, and degree of cleanliness, acidity or other significant characteristics. Converse and Hughey further add to these quantities, chemical content, amount of foreign matter, amount of moisture; ripeness; sweetness, length of fiber or a combination of several of these.

(3) Standardisation: According to Duddy and Revzan, “a standard is a measure that is generally accepted as having a fixed value. The measure is in units of intrinsic qualities or characteristics of a product or a service.” Standardization is “the determining of classes or grades of a product or service that have fixed limits.”

Standardisation of agricultural produce presents some difficulties and some products are more difficult to grade than others. This difficulty increases due to smallness of agricultural industry. Further, the products of different farms also differ in variety, quality and size. In order to obtain the benefits of standardization, standards have to be established and goods assorted into lots.
which conform to these standards. Eggs, fruits, vegetables and wool are standardized in this way. It is easier to grade commodities that are not perishable since they need not be hurried to the market in order to avoid deterioration. Since less haste is necessary in marketing non-perishable since they need not be hurried to the market in order to avoid deterioration. Since less haste is necessary in marketing non-perishable products they can be graded more carefully and finer standards can be adopted. When haste is essential, as in the case of perishable goods; standards are applied quickly and therefore, grading is less carried on. It is for this reason that the development of refrigeration has aided so materially in the standardization and grading of perishable farm products.

**Packing and Packaging:** A package defines the space in which a Product is contained. The package contents may be pre-measured, pre-weighed, pre-stored, pre-assembled, then placed in a specially designed wrapper, box, carton, can, crate, bottle, jar, tube, barrel, drum or pallet for convenient distribution. Packing is the general group of activities which concentrate in formulating a design of the package, and producing an appropriate and attractive container or wrapper for the product. Packaging means “the wrapping and crating of goods before they are transported or stored.”

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Packaging involves more than simply placing products in containers or covering them with wrappers. “Packaging” has been defined as “an activity which is concerned with protection, economy, convenience, and promotional considerations”. The Indian Institute of packaging has defined packaging as “the embracing functions of package selection, manufacture, filling and handling”.

**Processing:** After crop is harvested and before it reaches the Consumer, it is subjected to one or more forms of processing. Processing generally represents an important stage in preparing an agricultural commodity for the market. It differs for different crops and for different uses and preferences on the part of the consumer. A single form of processing may consist of more than a single operation carried out by different parts at different stages. For example, paddy may be threshed and winnowed by the cultivator but husked by the miller, the trader or even the consumer. In majority of crops, broad uniformity for processing is available in the country.

(5) **Storage:** Storage is the process of holding and preserving goods, from the time they are produced until they are needed for consumption or use. The conditions that give rise to storage are seasonal production and more or less uniform consumption, uniform production and seasonal consumption, the need for protection or preservation of the commodity, and the inability to maintain perfect balance between supply and demand because of the system of roundabout production. Storage of fruits and vegetables is necessary because of their timely production and continuous consumption. It would be impossible for us to consume them if the services rendered by the store-keeper are not available.

(6) **Transportation:** Man, from the time of his appearance, has earnestly tried to find out some means of transporting himself, his family and his luggage from one place to another. Throughout the period of human development transport has been regarded as a thing of prime importance to promote the growth and distribution of wealth to develop distant markets of the world. All goods whether commercial or agricultural are not utilized at the place of their origin. They require some kind of transportation to create place utility. Minerals or other raw materials are to be transported from the place of extraction or production to the furnace or factory, crops are to be carried from the farm to the local market or the local godown, from the godown to primary market and from there to the place or places of consumption. Transportation is as productive as the services rendered by the cultivator or a store-keeper. Improvement in the means of communication and transport has extended the area of the market both in and outside the country.
(7) Market Information: The villagers have practically no contact with the outside world nor are they in touch with the trend of the market prices and they mostly depend on hearsay reports received from the village bania who is not at all interested in supplying them to correct information as to prices obtaining in the wholesale market. No definite account can be given about the information the farmer needs without knowing something about the product in which he specializes. Thus required information varies considerably with the product to be sold. In general, information needed may be of demand and supply; prices prevailing in different markets, weather condition, daily supplies and expected arrivals in large markets; anticipated production by competitors, quality relationship of current supplies and prices with those of previous seasons and with those of competing commodities, condition of present crop and estimated total production for the current year, outlook for a future crop, usual volume of shipments to all markets during a particular season, and the average volume of shipment to the market in which producers are most interested.

(8) Financing: Agriculturist in India cannot do without outside finance. He is, therefore, compelled to borrow for his consumption and productive needs. Credit is more necessary in agriculture because it takes months to receive the return of its labour and the supply of agricultural produce is seasonal while the demand exists all the year round which makes financial arrangements much more unavoidable in order to make adjustment of both and stabilize the prices. According to F. Nicholson the chief objectives for which agriculturists need money are: “to pay current expenses of cultivation such as the purchase of seed, manures, etc., the purchase of cattle, implements and raw materials, to acquire new land by irrigation, drainage, weeding and planting, to pay up old debts, to build and repair houses, to purchase food-stuffs and other personal necessaries, to pay land revenue to the government, to meet expenses connected with marriage and other social events in the family.

(9) Risk Factor: The purpose of marketing is to get something in return for the services rendered by producers and middlemen. This very idea of getting the return induces the producers to grow, produce and put goods and services in the market. Middlemen in their turn bear the risk to dispose off their stock received from the producers at better prices and the consumers bear some risk when they purchase goods of their requirement for the whole year for reasons of fall in prices and the availability of quality goods in future, regard to cost, loss or damage. ‘Marketing risk’ may be defined as the danger of loss from unforeseeable circumstances in future. From the time goods are produced in anticipation of demand, to the time they are sold, they are subject to many risks, such as those of theft, fire, destruction, deterioration in quality, loss in storage and transportation, losses arising out of fluctuation in prices, or change in fashion, or severe competition, or non-collection of the bills.

Losses from fire, flood, and deterioration are most serious in some business, especially in agriculture. Fruits, vegetables and eggs etc. are the examples of such wastage. Sometimes fire occurs and thousands of acres of land are involved in it. Much of these losses can be minimized if proper care is taken through use of present scientific devices.

(10) Insurance: Practically it is not possible to eliminate or shift all risk. Under certain circumstances risks are transferred through insurance. The purpose of Insurance is not to eliminate risks but to produce an averaging of risks. It is a device by which the loss likely to be caused by an uncertain event is spread over a number of persons who are exposed to it and who propose to insure themselves against such an event. Life, fire, marine, accident and general etc. are the examples of insurance. Uninsurable risks may be reduced by amassing of a greater quantity of information about consumers, competitors, market conditions, supply conditions, and the experience and current conditions of the individual business firm itself.

It is difficult to visualize business operations without a large proportion of risks which can in no way be minimized, shared or shifted. The more business can confine its risks within the Insurable classification, the more control will
business management exercise over its affairs, and in the long run the lower will be the costs of marketing.

IV. CONCLUSION

Agricultural Marketing is therefore one of the manifold problems which have direct bearing upon the property of the cultivators. Agricultural Marketing in its widest sense comprises all the operations involved in the movement of food and raw materials from the field to the final consumer. It includes so many other functions on the basics of the commodity and marketing situations. At the same time the marketing of the commodity is related to the income and other factors of the people live in and around of the market. At the same time and handling of product at the farm, initial processing, grading and packing in order to maintain and enhance quality and avoid wastage. Agricultural Marketing is a process whereby the producer and the buyer are brought together. The producer refers to all those engaged in farming land.

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