

**AGRICULTURAL MARKETING; ARE GOVERNMENTS TRULY COMMITTED TO PROMOTE SMALL-SCALE FARMERS? THE CASE STUDY OF GUJARAT STATE IN INDIA AND MOROGORO REGION IN TANZANIA**

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**ABSTRACT**

*Access to markets is a vital success factor for any business. Agricultural marketing encompasses various steps from production planning, up to delivery of the commodity to the final consumer. Agricultural marketing and rural development are key elements for poverty alleviation in most of low-income countries whose livelihood depends on agriculture. However, stakeholders within the case study regions are exposed to agricultural marketing constraints in their quest for livelihoods. Inaccessible poor rural roads and inadequacy of communication facilities limit farmers' access to markets resulting into high farm produce wastes. Producers are not guaranteed of markets of their crops in all localities due to lack of competing buyers and regulatory institutions to oversee the entire process. Agricultural marketing is confronted with several challenges among which are unfavorable agricultural policy, tariff and nontariff barriers to trade and limited permits for small scale farmers to sell their produce outside of their local areas due to government bans. Governments of the case study countries have proved failure on agricultural marketing and price management by leaving almost all agricultural marketing activities under private middle men. This has created a wide gap between the prices received by the farmers and that paid by the consumer. While the farmers are not able to cover their costs of production, consumers are paying an abnormally high price for farm commodity. Public and private sectors need to form a strong acquaintance between them for promoting agricultural marketing by creating a direct contact network between the farmers and customers through local channels in villages to eliminate unnecessary brokerage and/or commission to the agricultural marketing chain for farmers' profit making.*

**KEY WORDS:** Agricultural marketing, rural development, poverty alleviation, farm produce wastes, unfavorable agricultural policy, tariff and nontariff barriers, direct contact network, profit making.

## **INTRODUCTION**

Marketing is the last stage of the product cycle before it gets to the final consumer no matter of its nature. Therefore existence of efficient marketing system for the development of the sector provides clear outlets and incentives for increased production and contributes to the commercialization of such particular item. With reference to AgFiMS (2012) access to markets is a vital success factor for any business. The term market is a wider concept that comprises of two major types: input market, - the place from which raw materials/items (e.g. farm implements, iron rods, etc.) for production are being purchased by producers; and product market – the place to where final products (e.g. motor vehicle parts, building materials, vegetables, rice, potatoes etc.) are being sold to consumers.

For this particular study we consider agricultural marketing. Agricultural marketing is a two interconnected concepts – agriculture and marketing. It therefore encompasses various steps from production planning, cropping and harvesting, grading, warehousing, processing, transportation and distribution to the final consumer. Therefore, for effective delivery of agricultural produce from the farmer to the final consumer agricultural marketing assumes the significance role. Desai (2012) insisted that remote villages need free flow of goods and services in order to avoid market apportionment problems. This helps to provide them marketing services for both input supplies and output sales and maintaining their targeted consumers through strong customer values.

There is a concept that the selling price of a product is determined by the law of demand and supply. However, for agricultural produce the concept may not fit at 100% due to the fact that there is no day people will go on bed without consuming farm produce. In simple words the demand of agricultural produce remains almost the same throughout the year. Thus their prices are decided by the rate of flow of farm produce in the market. However, the price received by the producer has considerably remained lower than the selling price due to a number of factors viz. the profit motive of the middlemen, wholesalers and retailers on one side and high costs for transportation, processing, sales, storage, advertising, presentation of the product and trade marking on the other side.

## **DEFINITION OF AGRICULTURAL MARKETING**

In simple words marketing includes all of the activities necessary to move a product from the producer to the consumer. It is therefore a bridge that links the farm producers and prospective consumers. It helps to determine the needs and wants of consumers and the ability to satisfy them.

## **FORMAL DEFINITION**

Agricultural marketing generally means the marketing of agricultural products to the first handler. In macro (social) perspective, is the performance of all business activities involved in the forward flow of food and fiber from farm producers to final consumers.

The National Commission on Agriculture (XII Report, 1976) as quoted by Kiruthiga et al (2015), has defined agricultural marketing as a process which starts with a decision to produce a saleable farm commodity, and it involves all the aspects of market structure or system, both functional and institutional, based on technical and economic considerations, including pre- and post- harvest operations, assembling, grading, storage, transportation and distribution.

## **AN OVERVIEW OF AGRICULTURAL MARKETING WITHIN THE CASE STUDY COUNTRIES**

Agricultural marketing forms a significant part of important factors of the sector development. Stakeholders within both of the case study countries are exposed to agricultural marketing constraints. Based on that, respective governments have been setting different initiative to trim down the problem.

In India according to NABARD (2015) agricultural markets in most parts of the country are established and regulated under the State Agricultural Produce Market Committee (APMC) Acts. The country have about 7,000 regulated markets and 22,000 rural primary markets and about 2,477 principal regulated markets and 4,843 sub-market yards regulated by the respective Agricultural Produce Marketing Committees (APMCs). Yet, they confess that there appears a wide gap between the place of production and the place of consumption. Hence (Reddy 2012) the function of market information assumes the importance. According to Reddy, collection and spread of market information in India it is the duty of the government through the Directorate of Economics and Statistics, Ministry of food and agriculture through journals and reports containing market information.

In Tanzania the National Bureau Statistics (NBS) is the responsible government institute to gather and disseminate both general and agricultural marketing information. Unfortunately, there has been a time lagging between the time of collecting respective data and when they are disclosed. They are then considered to be of low impact to respective stakeholders particularly farmers in their daily business.

Generally, agricultural commodities cover a series of steps and channels on moving from farm yard to the final consumer varying depending on the nature of a particular commodity. Most of the individual

farmers within the case study countries are subjected to inadequate infrastructure and transportation facilities to convey their produce to respective markets forcing them to sell their produce to middlemen and/or nearby local markets at low prices in contrast to those at the wholesale markets.

With reference to NABARD, actual buying and selling of the products in India takes place mainly in the market yards and sub yards (primary and secondary wholesale markets) and rural periodic markets commonly known as haats spread all over the country. However, according to the ministry of Agriculture of India imperfect market conditions, restrictions on the movement of agricultural commodities caused by infrastructural constraints, transport blockages and local taxes were termed as the major pressure of the retail prices trends across the major markets and consumption centers within the country.

In Tanzania rural infrastructure is still inadequate to effectively and efficiently support agricultural marketing. Accessible Poor rural roads and inadequacy of communication facilities limit farmers' access to markets, dissemination of knowledge and marketing information increase time and cost of transport that often result in deterioration of produce quality. This has always been resulting into high farm produce wastes. According to Singh (2011) transport costs in Africa are very high due to inadequate infrastructure and monopolistic behavior by economic agents. Thus, while the cost for transporting a ton of maize over 11,000km from U.S to Mombasa ranged between \$45 and \$48, the transport cost from Mombasa to Mbarara in Uganda a 1,500km distance ranged between \$125 and \$140.

To strengthen infrastructure for marketing, grading, standardization and quality certification of produce in the agriculture and allied sectors, the government of India has established the Scheme on Agricultural Marketing Infrastructure, Grading and Standardization under the Directorate of Marketing and Inspection (DMI) since October 2004. According to NABARD (2014b), during the year 2013-14 a subsidy of ₹18.8 billion (\$ 310 Million) was released in respect of 1,119 units. Cumulatively, ₹8.07 Billion (\$133.4 Million) was released as on 31 March 2014 for 7,250 units.

Conversely, agricultural products in Tanzania (URT 2008a), to a large extent, are characterized by inadequate adherence to the set product quality standards, grades and inadequate post-harvest management. Some market stakeholders violate set standard units of weights and product grades. This has been associated with an inability to adhere to food hygiene and sanitary and phytosanitary requirements, which limits on participation not only in global markets but also regional as well as

domestic markets. Also concerning value addition in Tanzania is still worse. Majority of crops in the country (URT 2008a) are marketed in their raw forms, losing opportunities for higher earnings and generating employment due to various constraints facing the agro-processing industry viz. high operational costs mainly because of high prices of imported fuel and spare parts, unavailability of appropriate processing machines and spare parts and limited knowledge in operation of the machines. With reference to Singh (2008) in the LIMCA book of records, India owns one of the world's largest fruit and vegetable project – Mother Dairy Fruit and Vegetable Ltd formed in 2000 in Delhi with an annual capacity of 120,000 tones and a chain of 300 retail outlets in and around Delhi. While there is no specific market for fruits and vegetables being monitored by the government of Tanzania, India, according to Singh (2008) also owns the world largest fruit and vegetable with 76 acre yard and annual capacity of 460,000 tones located at Azadpur, Delhi constructed by the Delhi Development authority in 1977 and handles over 15,000 tons of fruits and vegetables daily connecting about 100,000 people for trade daily.

Organized marketing of agricultural commodities (Gol 2014) has been promoted in the country through a network of regulated markets to ensure reasonable gains to the farmers and consumers by creating conducive market environment for fair play of the forces of demand and supply. However, they regret that they do not have required facilities/amenities available therein due to resource constraints.: With a view to establish a nation-wide information network for speedy collection and dissemination of price and market related information to farmers, (Chandak 2009) electronic connectivity was being provided to all important agricultural markets in the country under a Central scheme, 'Market Research and Information Network'. 2,408 market nodes and 92 State Marketing Boards and Directorate of Marketing and Inspection offices have been networked on a single portal, wherein daily prices of more than 300 commodities and about 2,000 varieties are being reported. It is planned to connect 2,700 markets in all, under the scheme during the 10<sup>th</sup> Plan.

Further, according to India 2009 reference manual the Department of Agriculture and Cooperation has three organizations namely, the Directorate of Marketing and Inspection (DMI), Faridabad, the Ch. Charan Singh National Institute of Agricultural Marketing (NIAM), Jaipur and the Small Farmers Agri-Business Consortium (SFAC), New Delhi dealing with marketing under its administrative control. The Directorate of Marketing and Inspection is an attached office of the Department of Agriculture and Cooperation headed by Agricultural Marketing Adviser with its Head Office at Faridabad

(Haryana), Branch Head Office at Nagpur (Maharashtra), 11 Regional Offices and the Central Agmark Laboratory at Nagpur. Besides, there are 26 Sub-Offices, 16 Regional Agmark Laboratories (RALs) spread all over the country. The main functions of the Directorate include inter alia: (i) Rendering advice on statutory regulation, development and management of agricultural produce markets to the states/UTs; (ii) Promotion of Standardization and Grading of agricultural and allied produce under the Agricultural Produce (Grading and Marking) Act, 1937; (iii) Market Research, surveys and Planning; (iv) Training of personnel in Agricultural Marketing; (v) Marketing Extension; (vi) Agricultural Marketing Information Network; (vii) Construction of Rural Godowns; and (viii) Development of Agricultural Marketing Infrastructure.

The country also has a special Agricultural Marketing training institute - The National Institute of Agricultural Marketing (NIAM) established in August 1988 in Jaipur (Rajasthan) for conveying training to farmers on marketing management. NIAM has been imparting training to senior and middle level executives of agricultural and horticultural departments, Agro Industries, Corporations, State Marketing Boards, Agricultural Produce Market Committees and Apex level Cooperatives, Commodity Boards, export houses recognized by Agricultural and Processed Food Products Export Development Agency (APEDA), Commercial Banks and non-governmental organizations. The main objectives of NIAM are: (1) To provide specialized training in agricultural marketing designed to develop leadership potential in the management of agricultural marketing enterprises and services; (2) To undertake research in agricultural marketing for Government, Cooperative and other Institutes, both on public funding and by contract; (3) To undertake appraisal of markets/marketing projects for approval and financial support by the Central Government, on consultancy basis; (4) To formulate objective criteria for selective development of physical markets and to evolve a practical methodology for the application of such criteria in their planning; (5) To offer advisory and consultant services on marketing policies, investment programmes and marketing development strategies and specific advice to marketing enterprises (State, Private and Cooperatives); (6) To survey, study and analyze the rural market management and to examine in depth the principal and practice of market regulation as a development sector in the agricultural economy.

In Tanzania to date there is neither specific price regulatory board/committee for grains and horticulture produce nor special Agricultural Marketing training institute. There is only one agricultural university - Sokoine University of Agriculture (SUA) that provides general agriculture

education in different disciplines. The government (URT, 2008a) admits marketing concerns usually appear later when the output has already been realized due to inadequate agricultural marketing extension services. Consequently, due to lack of relevant skills many small scale farmers produce crops which they have been producing traditionally, and subsequently continue searching for markets of these products, even when the market requires improved or entirely different products.

#### **LITERATURE SURVEY**

The role of the agriculture market is to deliver agricultural produce from the farmer to the consumer in the most efficient way (GOI 2012a). Both agricultural marketing and rural development (Singh 2011) are key elements for poverty alleviation particularly for rural population whose livelihood depends on agriculture – especially within the developing countries where it is reported by different studies that more than 75 percent of their population live in rural areas.

In most of low-income countries in Asia and Africa, (Mogues et al 2012) most agricultural production comes from small scale farmers. Even in Latin America, where large plantations are more prevalent, market power concentration in primary agricultural production is not a key impediment to efficiency, because given the core features of the sector, such as spatial dispersion, primary agriculture does not lend itself as easily to such concentration as manufacturing or service sectors do.

However, (NABARD 2014b), market has remained one of the major constraints which the poor face in their quest for livelihoods with several middlemen who form cartels to exploit the producers. According to GOI (2013), there is general opaqueness and poor price transmission mechanism the situation that has created a persisting wide gap between the prices received by the farmers and the prices paid by the consumer. Thus, while the farmers are not able to receive a price to cover their costs of production, the consumers are paying an abnormally high price for the same commodity.

Marketing costs in India (Reddy 2012) are incurred by several middle men who undertake different marketing activities with profit motives. This has posed a negative impact to both the farmers who are forced by the situation to sell their raw produce to middlemen at non remunerative prices, and, the consumers who are charged high prices for final products. Reddy added that in case of agricultural products, it so happens that there is a much difference between the price received by the producers per unit of a product and that paid by the consumer for the same unit of product.

Marketing information play a great role to both the producer and the consumers on one side and the government as a key player for price policy making on the other side. For the effective marketing

decision making, appropriate and adequate marketing information is important. Thus timely and relevant and correct information should be in place for better marketing decision making. On the basis of adequate marketing information, (Reddy 2012) a right decision can be taken regarding what to produce, how much to produce, where to sell and how much to sell, etc.,.

Singh (2011) insisted the potentiality of good market information system to persuade more transparency and competition in markets by providing information to both public and private stakeholders of which in turn can be used to predict future shortages. Thus, the producer, consumer and the policy maker together need relevant opinions, estimates and facts in connection to marketing process. Marketing information can be obtained from different sources ranging from individuals to public viz. word of mouth news, telephone, notice boards, newsletters, newspapers, journals, radios and TV broadcasting, government reports and publications.

Marketing institutional infrastructure created and promoted by the government is an essential feature in the process of agricultural marketing. They help to promote and process marketing functions on behalf of the farmers or members. Marketing cooperative in India (Singh 2011) is a four-tier structure consisting of primary marketing societies, district or regional cooperatives, state marketing federations and national level marketing cooperative. The main marketing cooperative include National Agricultural Cooperative Marketing Federation (NAFED), tribal Cooperative Marketing Federation (TFIFED), state Cooperative Marketing Federations, district level cooperatives or unions of cooperative and primary agricultural cooperative marketing societies. With reference to Rajkumar (2008), by the end of March 2006, India had 7,566 regulated and 21,780 rural primary/periodic agricultural markets with an average of 21 villages for one rural market. In the words of Singh (2011), the country had 2,354 main market yards, 4,807 sub-market yards and 27,294 rural periodic markets that are managed by either Agricultural Produce Market Committees that represent farmers and other stakeholders, local self- government institutions or government departments. However, Singh further noticed that about 85 percent of the available rural periodic markets places are inefficient due to lack of respective facilities. Thus nearly 80 percent of the marketed surplus of agricultural products is handled by the private sector.

In Tanzania the producers are not guaranteed of markets of their crops in all localities due to, among other reasons, (URT 2008a) the weaknesses of cooperative societies; lack of farmers associations, inadequate number of competing buyers and absence of regulatory institutions to oversee the

quality and standards for non-traditional exports and food crops. Consequently, producers have not received remunerative prices and at times they have remained with unsold produce in cases where buyers do not turn up or offer low prices.

In India (GOI 2014), food and agricultural commodity prices are primarily determined by domestic demand and supply factors. Market micro infrastructure, the systems and procedures of commodities trading and players determine the market efficiency. Thus, there is wide spread of imperfection in the agricultural produce markets. According to GOI (2014) the government confesses existence of the general opaqueness and poor price transmission mechanism. Consequently, there is a wide gap between the prices received by the farmers and the prices paid by the consumer. Similarly, in Tanzania according to (URT 2008a), the depressed prices for primary commodities in global markets and constraints to access local markets are among of the challenges to the government in promoting the marketing of agricultural produce. The government also confesses that despite a number of policies including the Agriculture and Livestock Policy (ALP), 1997; Cooperative Development Policy (CDP), 2002; Rural Development Policy (RDP); National Trade Policy 2003; National Livestock Policy, 2006; Agricultural Sector Development Strategy (ASDS) 2001; and, Agricultural Sector Development Programme (ASDP), 2005, issues of agricultural marketing issue which is influenced by liberalization and globalization forces has not been addressed adequately.

#### **PROBLEMS OF AGRICULTURAL MARKETING IN DEVELOPING COUNTRIES**

Agricultural marketing principally is associated with several challenges no matter how is the respective government involving itself to address it. According to Mogues et al (2012) market failures are pervasive in developing countries including the case study countries. Most of the developing countries face the challenges of agricultural marketing. Several studies have revealed different challenges; Agricultural marketing (URT 2008a) is adversely affected by lack of marketing structures, poor linkages within the marketing, processing and production chains, poor market-orientation and inadequate processing facilities leading to high levels of produce wastage. Kiruthiga et al (2015) listed six factors – poor product quality; inadequate market information; improper product quantity measuring; functionaries' participation; lack of transportation facility and inadequate storage facilities.

Bee (2009) identified several problems viz. inappropriate policies and regulatory framework (weak macro-economic policies and local government interventions and unfavorable agricultural policy);

private sector participation: too few, too weak and disorganized; inadequate financial resources; limited agricultural processing capacity; underdeveloped marketing infrastructures (poor transport and communication infrastructure, inadequate markets and storage facilities, poor risk management, inadequate market research and market information and lack of standardization, packaging and branding techniques); inadequate understanding of customer behavior and attitude; and, weak understanding of the marketing and its inherent conflict of interests.

According to Gabagambi (2013) unfavorable agricultural policy; overdependence on rain fed agriculture; poorly organized producer organizations; inadequate value addition and other infrastructure; poor value chain development; tariff and nontariff barriers to trade for smallholder farmers (Tax Institutional Framework at Central and Local Government levels; time taken for documentation at border crossings, time for procedures at border posts, time for business registration and licensing and road blocks, weighbridges and standards) are the major barriers to trade for smallholder farmers in Tanzania.

In Tanzania, (URT, 2008a) among many challenges facing agricultural marketing include (i) weak legal and regulatory framework on agricultural marketing; (ii) weak institutional set-up dealing with agricultural marketing; (iii) underdeveloped and improperly managed agricultural marketing infrastructure; (iv) inadequate marketing research and intelligence which inhibits timely availability of data and information necessary for decision making. However, all these are termed as primary responsibility of the same government. The question now comes to whom is government complaining to?

In India (GOI, 2014), the most prominent are limited access to relevant information, licensing barriers, lack of marketing infrastructure, high incidence of market charges, high wastage in supply chain, lack of national integrated market, large number of marketing channels with long supply chain, etc. Consequently, (GOI 2013) many the small scale farmers sell their produce immediately after harvest, invariably realizing lower prices and later buy the commodities during the lean season at much higher prices.

In Tanzania instead of helping them, the government itself sounds like a cause some agricultural problems facing their farmers. According to AgFiMS (2012) farmers specifically in rural areas are faced with a major challenge of limited permits to sell their products in areas where there are markets but outside of the area they operated from due to government bans. Other constraints and challenges

that must be addressed (URT, 2008a) include (i) Inadequate value addition in agricultural produce; (ii) Inadequate adherence to grades, standards and quality in agricultural products marketing; (iii) Weak legal and regulatory framework on agricultural marketing; (iv) Weak institutional set-up dealing with agricultural marketing; (v) Underdeveloped and improperly managed agricultural marketing infrastructure; (vi) Inadequate marketing research and intelligence which inhibits timely availability of data and information necessary for decision making; (vii) Limited use of marketing risk management approaches; (viii) Inadequate access to financial services for agricultural marketing activities; (ix) Inadequate marketing linkage; (x) Inadequate capacities to utilize opportunities emerging in the domestic, regional and international markets, including preferential markets; and, (xi) Environmental degradation, gender imbalances and costs caused by diseases, HIV and AIDS. AgFiMS (2012) observed that apart from more than one – third (35 percent) of the processors in market segment to face challenges in getting their products to market, both producers and processors faced challenges on distance to market and unreliable transportation of products and the cost thereof and loss of stock whilst in transit irrespective of whether they operated from urban or rural areas.

## **METHODOLOGY**

### **RESEARCH DESIGN AND TECHNIQUES**

It was a structured study, designed as a comparative single case study within the selected jurisdictions of the case study countries using both qualitative and quantitative techniques.

### **POPULATION, SAMPLE SIZE AND SAMPLING TECHNIQUES**

The total population was all rural dealing with agriculture. The sample size for this study was 600 with an average of 300 respondents from each country in the composition of 280 farmers and 20 non farmers respectively. Purposive random sampling techniques were applied for establishing relevant respondents from the targeted population from different agro ecological zones within the surveyed areas. Non-farmers respondents were responsible officials to agriculture matters within the local authorities from the respective jurisdiction.

### **SOURCES OF DATA AND COLLECTION METHODS**

Both primary and secondary data sources were used for the study. However, primary data sources were considered the key foundation of required information for the study. With primary data we aimed to ascertain the actual situation of the studied matter from the grass root. With secondary data we aimed to weigh the status of the matter under study at the institutional level.

Different techniques were applied for both primary and secondary data collection:

**Official introduction;** to ease entrance and access to targeted data and respondents respectively, official introduction letters from both the employer and the research Centre were issued.

**Questionnaires;** Based on the nature and education level and/or communication ability of the targeted respondents, printed survey questions in respective local languages (Gujarat and Kiswahili) were distributed to the respondents obtained from the population sample.

**Personal interviews;** for more clarifications face to face interviews with some respondents thought to have significant input were conducted from time to time.

**Hiring translators;** for easy communication between the researcher and his respondents, in all of the surveyed rural areas especially in India translators were hired for both converting written questionnaires from English to local languages and interpretation during direct conversation with targeted respondents. SPSS software was applied for data analysis.

## **RESULTS AND DISCUSSION**

### **DOES THE GOVERNMENT SUPPORT SMALL SCALE FARMERS ON MARKETING INFRASTRUCTURE?**

As stated earlier, both primary and secondary data sources were used for the study. However, primary data sources were considered as the key foundation of the required information for the study for ascertaining the actual situation of agricultural marketing support to small scale farmers by the respective governments.

We used both primary and secondary data to ascertain the actual situation of the agricultural marketing from the prospective beneficiaries at the grass root and weigh the status of the matter under same at the institutional level.

### **VIEWED FROM SECONDARY DATA SOURCES**

It was observed that collection and spread of market information in India is the duty of the government through the directorate of Economics and Statistics, Ministry of food and agriculture. Actual buying and selling of the agricultural produce takes place mainly in primary and secondary (wholesale markets) and rural periodic markets commonly known as *haats* spread all over the country. The country has around 7,000 regulated markets and 22,000 rural primary markets. Reports show that it owns one of the world's largest fruit and vegetable project – Mother Dairy Fruit and Vegetable Ltd with an annual capacity of 120,000 tones and a chain of 300 retail and the world largest fruit and vegetable market with 76 acre yard and annual capacity of 460,000 tones with a capacity of over

15,000 tons of fruits and vegetables daily connecting about 100,000 people for trade daily all in Delhi.

The country also has a special Agricultural Marketing training institute - The National Institute of Agricultural Marketing for conveying training to farmers on marketing management.

In Tanzania it was noted that it is the duty of government to gather and disseminate the agricultural market information through the National Bureau Statistics (NBS). However reports show that farmers' access to agricultural marketing is adversely constrained by lack of marketing structures, poor linkages within the marketing, processing and production chains, poor market-orientation and inadequate processing facilities leading to high levels of produce wastage. Agricultural value addition is also still a major problem. Majority of crops in the country are marketed in their raw forms, losing opportunities for higher earnings and generating employment due to various constraints facing the agro-processing industry. To date there is neither specific price regulatory board/committee for grains and horticulture produce nor special Agricultural Marketing training institute.

Generally, the Indian government efforts to address the agricultural marketing are more visible. Nevertheless, the gap between the place of production and that of consumption is still wider. In Tanzania conversely, agricultural marketing extension services and value addition have not been emphasized properly by the government.

#### **VIEWED FROM PRIMARY DATA SOURCES**

Marketing of the agricultural produce is an important aspect in the farming cycle, its absence which may lead into total loss. However, survey results indicate that it has not been emphasized within both of the case study countries.

#### **GOVERNMENT SUPPORT TO SMALL SCALE FARMERS ON MARKETING INFRASTRUCTURE**

Agricultural marketing infrastructure encompasses of variety of activities viz. planning what to produce, timely harvesting, grading, processing and value addition, packaging, warehousing, post-harvest losses management, capacity building, transport infrastructure and distribution and exportation. Only 32.5 percent of the interviewed Indian small scale farmers confessed to have ever enjoyed government support on agricultural marketing within their local areas leaving more than 67 percent of respondents with no idea about the same issue. On the other hand, to every ten Indian farmers at least three of them had ever enjoyed the marketing infrastructure services within their respective local or nearby areas.

The situation was even worst in Tanzania in which all interviewed respondents confessed to have never received government support for marketing their agricultural produce. This means the government of Tanzania does not provide support on marketing infrastructure services to their farmers. Thus, Tanzanian small scale farmers are highly exposed to the risk individual fraudulent and/or unfaithfully middlemen who are always there just to take advantage of farmers' sweat.

On the quest of the level of satisfaction with the provided agricultural marketing support, all respondents who confessed availability of Government support on marketing infrastructure within their respective local or nearby areas in India have indicated to have been enjoying the service. This has an interpretation of a high potentiality of improving the economy of smallholders of agriculture through availability of reliable marketing infrastructure for their farm produce within the respective study countries.

#### **FREEDOM TO SELL AND EXPORT FARM PRODUCE**

Farmers within both of the case study countries confessed to have no freedom to sell their farm produce to the market due to different reasons including lack of perfect information relevant to their produce, price changes and poor infrastructure to ferry their produce to the markets, poor storage facilities, which could allow them to sell them later on demand when prices go up. More than 76 percent of interviewed India farmers do not sell any portion of their farm produce per season while only 16 percent do dispose up to an half their produce per season.

In Tanzania farmers have been even experiencing government barns from selling and or exporting their farm produce on the grounds of protecting them from food and nutritional insecurity that would have been resulting from sale of all of their food balances. About 46 percent of interviewed farmers in Tanzania do not sell any portion of their farm produce per season but more than 50 percent do dispose their produce from 5 up to more than 50 percent per season. Lack of storage facilities, post-harvest management skills were among the key reasons.

#### **GOVERNMENT SUPPORT ON WAREHOUSING SERVICES**

About 65.2 and 20.1 percent of interviewed farmers in India and Tanzania respectively confessed the availability of the government support on warehousing services within their local areas. Almost all (98 percent) of Indian farmers receiving the warehousing service were satisfied with it compared with only 44.6 percent of Tanzanian farmers who confessed the same. On the other hand, more than 50 percent of Tanzanian farmers who ever received such service were extremely unhappy with it.

#### **GOVERNMENT SUPPORT ON POST HARVEST LOSSES MANAGEMENT**

Six farmers and one farmer out every ten in India and Tanzania respectively had ever enjoyed the government support on PHL management. However, almost all respondents within both of the case study countries (98 and 96.7 percent) for India and Tanzania respectively were dissatisfied with it. This means both countries have not invested into PHL management as a means of promoting agricultural marketing.

#### **GOVERNMENT SUPPORTS ON FARM PRODUCE PROCESSING AND VALUE ADDITION**

Survey data indicate that both governments do not provide support on farm produce processing and value addition to their farmers respectively. This means small scale farmers are highly exposed to the risk of distress sales of their farm produce instantly during or after harvest season, in low form and at non remunerative prices due to lack of adequate technologies and facilities for post-harvest handling, storage and processing but later to buy the commodities at much higher prices. The situation has effects in two tires: (i) reducing their income from sale of their farm produce; and (ii) dragging most of their financial resources for purchasing food and other commodities from the market at very high prices.

#### **GOVERNMENT SUPPORT ON TRANSPORT INFRASTRUCTURE**

Survey data indicate that transport infrastructure is available at the levels of 93.4 and 83.9 percent for India and Tanzania respectively. However, almost all Tanzanian respondents (99.8 percent) who confessed availability of such service were extremely unhappy with it due to inaccessibility throughout the year. In India about 46 percent confessed to have been satisfied with the service. However, more than 50 percent of the respondents were dissatisfied with the service. This means the available transport infrastructure doesn't support small scale farmers.

#### **GOVERNMENT SUPPORT ON CAPACITY BUILDING**

Both governments of India and Tanzania provide support on capacity building to their farmers respectively. However, the current magnitude of stakeholders covered by such service does not suffice the demand of majority because the portion of respondents covered by such service was as less as 39.9 and 44.9 percent for India and Tanzania respectively. Further, majority among those a few who receive such service (85 and 99 percent) for India and Tanzania respectively indicated to have been dissatisfied with it. About 36.8 percent of Tanzanian farmers indicated to have been tremendously dissatisfied by the same.

### **GOVERNMENT SUPPORT ON EXPORT FACILITIES**

Both governments do not provide support on farm produce exportation to their farmers respectively. This can further be interpreted that majority of small scale farmers within the case study countries are either practicing subsistence farming meaning that they have nothing to export or they have been marginalized by their respective governments. However survey data indicate that majority were restrained by both - illiteracy on marketing and exportation and barriers to trade that encompasses of government bans from selling their farm produce out of their local areas where there are markets, road blocks for weighbridges, levy and tolls; long processes and unnecessary bureaucracy on business registration and licensing.

### **SUGGESTIONS**

Both countries have immense potentials of agricultural production but face numerous of defies in the farming cycle particularly the final stage – marketing. Planting certified seeds, using modern farming tools and/or harvesting vast crops is not enough but there needs to be a deliberate plan for provision of reliable market to their products for enabling farmers to achieve their objectives of amplifying their local income, foreign exchange, improved food and nutrition security. In view of that, we suggest the following factors to be considered by all stakeholders involved into the sector for its effective growth:

- 1)** Political will by respective governments – in most cases the political policies and decisions towards the sector promotion have been more theoretical rather than being practiced. Government executives are urged to stand for what they say about the sector as a whole and agricultural marketing by setting into actions all the local and international resolutions towards the sector promotion.
- 2)** Agricultural marketing promotion - both central and local governments within the case study areas are argued to strongly invest on this important aspect by considering the following features:
  - a.** Provision of relevant and adequate agricultural marketing information on time for enabling small-scale farmers to avoid being isolated from the benefits of agricultural marketing.
  - b.** Imparting relevant skills to respective stakeholders, this will help them to be fully equipped on agricultural marketing for appropriate decision making on what salable goods to produce, when and how much to be produce.

- c. Avoiding unnecessary barriers to farmers from selling and/or exporting their farm produce, instead they should facilitate their farming to ensure year round production
- d. Provision of pre-cooling and preprocessing facilities for value addition to their produce before they sell them
- e. Provision of storage facilities for enabling farmers to store their farm produce during harvesting seasons for selling them later on demand when prices have ascended.
- f. Food production promotion – based on the findings, despite their good scores in the global hunger index the number of un nourished people is very high with both countries, and the domestic food price volatility and food import rate for Tanzania are very high. Respective governments are advised to increase food production to persuaded their population demand

## **CONCLUSION**

Both secondary and primary data provided strong evidences that confirm that governments of the case study countries have proved failure on agricultural marketing and price management. It is the primary role and responsibility of the respective government to ensure general economic stability and individual sector growth. However, agriculture has historically remained a low considered sector in most of developing regions including the case study countries by receiving low investment despite of its vital contributions to the national GDP. There lacks both deliberate plans and favorable policies to promote agricultural marketing. Survey data confirms a great diversity between paper work reports by the respective governments and the actual situations at the fields. Farmers within the case study regions are exposed into unfavorable agricultural policies and regulatory framework and middlemen who form cartels to exploit them. Marketing activities and relevant costs have been left under several private middle men who are there for profit motives. This has created a wide gap between prices received by a farmer for a particular unit of produce and that paid by the final consumer for the same. It is high time for both public and private sectors to join their hands under the leadership of the respective government to create a strong acquaintance between them for promoting agricultural marketing together with emergence of a direct contact network between the farmers and customers through local channels in villages to eliminate unnecessary brokerage and/or commission to the agricultural marketing chain for increasing the profit of the farmers.

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