

Concept Note

Market-led extension: issues and challenges for extension personnel

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ABSTRACT

Agriculture is the backbone of Indian economy accounting for about 65 per cent of the country's employment. Despite dramatic increase in food production during the last five decades the profit margin of farmers has declined. In this era of globalization and liberalization a farmer will have to transform himself from mere 'producer' in the domestic market to 'producer-cum-seller' in order to best realize the returns for his investments. The focus should be turned towards high quality produce, low cost of production and high productivity. In this context the extension system may face crisis in the form of knowledge, efficacy, credibility, reorganizational structure etc. Extension personnel will have to be ready to perform some additional roles like SWOT analysis of the market, organizing Farmers' Commodity Interest Groups, supporting and enhancing the capacities of locally established groups like Water Users Associations, Self-Help Groups, Watershed Committees etc, creation of websites of successful farmers besides establishing marketing agro-processing linkages and market intelligence for motivating our farmers to shift from 'supply driven' to 'market driven'.

Keywords: Market-led extension; knowledge crisis; efficacy crisis; credibility crisis

Indian agriculture is the backbone of our economy and food security. Besides supplier of raw material to the major cities it accounts for about 65 per cent of the country's employment and 20 per cent of the total export earnings. Though the food grain production has increased dramatically during the last five decades yet the profit margin of farmers has declined owing to some serious problems like declining water table, deterioration in soil health, outbreaks of new pests, diseases and weeds,

environmental pollution etc. Due to these reasons Indian agriculture is now at a critical juncture. With the globalization of market a farmer will have to transform himself from mere 'producer' in the domestic market to 'producer-cum-seller' in a wider market sense in order to best realization of the returns for his investments, risks and efforts (Reddy and Jaya 2002).

Agriculture strategy should not only be to achieve higher yields by reducing

cost of cultivation but also increasing the farmers' income by diversifying farming and generating employment opportunities in agro-industries in the rural areas. Efforts should be strengthened to achieve higher productivity with sustainability of soil and crop. In order to survive the competition both in domestic and international market the focus should be on:

- High quality produce
- Low cost of production
- High productivity

An efficient marketing system is essential for the development of agricultural sector. The marketing system contributes greatly to the commercialization of subsistence farmers. Failure to develop the agricultural marketing system is likely to negate most (if not all) the efforts to increase agricultural production (Anon 2000). In the changing scenario of Indian agriculture the extension system is likely to undergo following series of crisis:

Knowledge (skill impact crisis): The extension educationists will now have to be well-equipped with the latest market information besides the knowledge of production technologies. This requires their further training and additional funding.

Efficacy crisis: The extension system has already been under criticism. With the increased and enriched role the extension functionaries they will have to perform multiple activities to prove their efficacy.

Credibility crisis: Despite market knowledge and efficacy in performing their role the extension system may face the credibility crisis due to rapid and unexpected changes in the market.

Reorganization structure crisis: With the assumption of new roles the organization structure may be prone to changes and accordingly the system will have to adjust itself.

The public extension system in the country is heavily burdened with performance of multi-farming activities in the field. The system acts as liaison between the researchers and the farmers. Extension personnel are assigned the responsibility of conveying research findings from the scientists to the farmers and feeding back the impressions from the farmers to the scientists. The new dimensions of marketing may overburden them and become an agenda beyond their comprehension and capability. In the light of this scenario the extension personnel are required to be motivated to learn the new knowledge and skills of marketing before assigning them marketing extension jobs to establish their credibility and facilitate significant profit for the farming community. Today advanced and scientific agriculture is considered as professional industry and enterprise. So crop should be grown to earn as much profit as possible. Emphasis should be given on climate-based extension education by devising training programmes,

demonstrations etc to the farmers empowering them to adopt improved technologies for higher yields and other high-tech ventures. For this purpose the farmers need to know the answers to questions like what to produce, when to produce, how much to produce, when and where to sell at what price and in what form to sell their produce. In responding to such questions the extension system should be oriented with knowledge and skills related to the market with the objective to improve the quality of agricultural production to compete in the market particularly in the global market. We have to accept the concept and paradigm of market-led extension and find out the new thrust areas in market-led extension in the interest and welfare of farming community.

Some additional roles of extension personnel in light of market-led-extension

Following are some of the important additional roles an extension worker will have to perform:

- SWOT analysis of the market ie Strengths (demand, high market ability, good price etc), Weaknesses (the reverse of the above), Opportunities (export to other places, appropriate time of selling etc) and Threats (imports and perishability of the products etc) need to be analyzed about the markets. Accordingly the farmers need to be made aware of this analysis for planning of their production and marketing.
- Organization of farmers' interest groups (FIGs) on commodity basis and building their capabilities with regard to management of their farm enterprise.
- Supporting and enhancing the capacities of locally established groups under various schemes/programmers like watershed committees, user groups, SHGs, water users' associations etc. These groups need to be educated on the importance, utility and benefit of self-help action.
- Establishing marketing and agro-processing, linkages between farmers' groups, markets and private processors.
- Advising on selection of crops and varieties as per their agro-climatic and socio-economic conditions and marketability of the produce.
- Improving the communication and interactive skills of the farmers to exchange their views with consumers and other market forces (eg middlemen) for getting feedback. Farmers need to be informed about the benefits of direct marketing like Apni Mandi in Punjab and Haryana, Rythu Bazars in Andhra Pradesh, Uzavar Santhaigal in Tamil Nadu etc and how to gain the bargaining during direct marketing.
- Capacity building of FIGs in farms of improved production, post-harvest management, storage, transport and marketing.
- Acquiring complete market intelligence regularly on various aspects of markets.

Paradigm shift from transfer of technology to market-led extension

| Aspect | Production-led extension | Market-led extension |
|--------------------------------|---|---|
| Purpose/objective | Transfer of production/cultivation technology | Enabling farmers to get optimum returns out of the enterprise |
| Technology | Fixed package recommended for an agro-climatic zone covering very large area irrespective of different farming situations | Diverse baskets of package of practices suitable to local situations /farming systems |
| Focus | Production/yields (seed to seed) | Whole process as an enterprise, high returns (money to money) |
| Farmer seen as | Progressive farmer (high producer) | Farmer as an agricultural -entrepreneur |
| Expected end results | Delivery of messages, adoption of package of practices by most of the farmers | High returns |
| Extensionists' interactions | Massages, trainings, motivating recommendations etc | Joint analysis of issues, varied choices of adoption, consultations etc |
| Linkages/liaison | Research-extension-farmer | Research-extension-farmer extended by market linkages |
| Extensionists' role | Limited to delivery mode and feedback to research system | Enriched with market intelligence besides the ToT function, establishing marketing and agro-processing linkages between farmer groups, markets and processors |
| Contact with farmers | Individual | Farmers' Interest Groups (FIGs), Focused Groups (FGs)/Self-Help Groups (SHGs). |
| Maintenance of records | Not much importance as focus was on production | Very important as agriculture is viewed as an enterprise to understand the cost:benefit ratio and the profits generated |
| Information technology support | Emphasis on production technologies | Market intelligence including likely price trends, demands, current prices, market practices, communication network etc besides production technologies |

- Regular use of internet facility through computers to get updated on market intelligence publication of agricultural market information in newspapers, radio and TV besides Internet.
- Organization of study tours of FIGs to the fields of successful/progressive farmers having similar socio-economic and farming system as the farmers learn more from each other.
- Developing video films/modules on the success stories of commodity specific farmers.
- Creation of websites of successful FIGs in the field of agri-business management with all the information in order to help other FIGs achieve similar success.
- Transport facilities
- Regular updating of market intelligence
- Production technologies like improved varieties, organic farming, use of bio-fertilizers and bio-pesticides, proper method of harvesting etc
- Postharvest management like processing, grading, standardization of produce, value addition, packaging, storage, certification etc with reference to food grains, fruits, vegetables etc

Required information to extension system and farmers

Extension system and farmers both should have knowledge on the following aspects:

- The present agricultural scenario and land use pattern
- Suitability of land holding to various crops
- Crops in demand in near future
- Market price of crops in demand
- The extent of demand
- Credit facilities
- Desired qualities of the products by costumers
- Market network of the local area and the price differences in various markets
- Network of storage and warehouse facilities available

In brief we can say that Indian farmers have moved from subsistence to self-sufficiency due to advent of improved production technologies. Market-led extension system has a better role to play by helping the farmers to get high returns for the produce, minimize the production costs and improve the product value and marketability. For this purpose information technology, print and electronic media need to be harnessed to disseminate the production and market information. A whole network of skilled personnel needs to be engaged in collection of current information and creation of websites containing information on market network, likely price trends, current prices, demand status etc which may serve the specific needs of farmers. In order to be successful in the liberalized market scenario the farmers will have to shift their focus from 'supply driven' to 'market driven' and to produce according to the market needs in order to earn high returns.

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