

Production Driven To Market Driven Extension Approach

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ABSTRACT

It's need of the hour to make extension approach market driven instead of production driven. Agricultural production has increased significantly in last decade. We are claiming of record food grains production of 241 million tones. Still farmers are committing suicide; it means they are not getting remunerative price for their produce. As about 90% our efforts are production oriented and only 10% are market oriented. With the globalization of market, farmers need to transform themselves from mere producers-sellers in the domestic markets to producer cum seller in a market, sense to best realize the returns for their investments, risks and efforts. Extension can play its pivotal role not by mere transfer of technology to farm side but along with it the appropriate market information as well. Extensional personnel need to make aware farmers about what to produce, when to produce, how much to produce, when and where to sell, at what price and in which form to sell their produce. Effective linkages of production systems with marketing, agro-processing and other value added activities would play an increasingly important role in the diversification of agriculture. There is need to conversion of P-L-E into M-L-E, minimization of production cost, introduction of export oriented product, modernization of wholesale markets or new markets with new agricultural policy. This emphasizes the wider role of extension agency ranging from SWOT analysis of market to the organization of farmers interest groups. The Government in this regard is providing much of the infrastructure required for efficient marketing along with the other information and extension services.

Key words: Extension approach; Market driven; Production driven; Agricultural production;

Present agricultural scenario is full of challenges and threats of international competition even in our local markets. Also there are many new opportunities available to rural people to make use of and enhance their remuneration from farming. Earlier the agricultural system was production based but modern agriculture sector is to be developed essentially on the lines of market based economy. With major thrust of extension agencies focused on production techniques till now, market-led extension holds the key to the future. This assumes greater significance in the light of the new international trading regime under WTA and the export opportunities being opened up. Public extension functionaries are presently ill equipped to deal with such challenges. The multi-agency extension service will need to address these issues though strengthening capacity of the public agency, supporting private sector in market-led extension and marketing, extensive use of media in information and technology dissemination. Market-led

extension so far is a peripheral issue in the extension scenario will need to be brought center stage. In earlier times, farmer who produced more was considered successful farmer.

Indian agriculture has made rapid progress/strides in the last half century by augmenting the annual food grain production from 51 million tonnes in the early fifties to 235 million tonnes in 2009-2010 and steered the country to a status of self sufficiency. It has been successful in keeping pace with the rising food demand of a growing population. Food grain production quadrupled in the last 50 years while population nearly tripled from 350 million to one billion during this period. Significantly, the extension system had played its role untiringly in transfer of production technologies from lab to land besides the agricultural scientists, farmers and marketing network. With major thrust of extension agencies focused on production techniques till now, market-led extension holds the key to the future. The

multi-agency extension service will need to address these issues though strengthening capacity of the public agency, supporting private sector in market-led extension and marketing, extensive use of media in information and technology dissemination. Market-led extension so far is a peripheral issue in the extension scenario will need to be brought center-stage.

Though the production has increased dramatically, not so much bothered about remunerative prices, small and marginal farmers generally prone to sell their produce on "as is where basis" due to several constraints like repayment of personal hand loans and to meet domestic needs. With the globalization of market, farmers have to transform themselves from mere producers-sellers in the domestic markets to producer cum seller in a

wider market sense to best realize the returns for his investments, risks and efforts. This to be achieved, farmers need to know answers to questions like what to produce, when to produce, how much to produce, when and where to sell, at what price and form to sell his produce. Farmers received most of the production technologies from extension system. Extension system now needs to be oriented with knowledge and skills related to market. An efficient marketing system is essential for the development of the agricultural sector. In as much as it provides outlets and incentives for increased production, 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, efforts to increase

Paradigm Shift from Production-led Extension to Market Led Extension

Aspects	Production-led extension	Market-led extension
Purpose/objective	Transfer of production technologies	Enabling farmers to get optimum returns out of the enterprise
Expected end results	Delivery of package of practices	High returns
Farmers seen as	Progressive farmer High producer	Farmer as an entrepreneur
Focus	Production	Whole process as an enterprise
Technology	Fixed package recommended for an agro-climatic zone covering very huge area irrespective of different farming situations	Diverse baskets of package of practices suitable to local situations/ farming systems
Extensionists' interactions	Messages Training \ Motivating Recommendations	Joint analysis of the issues varied choices for adoption Consultancy
Linkages	Research-Extension-Farmer	Research-Extension-Farmer extended by market linkages
Extensionists' role	Limited to delivery mode and feedback to research system	Establishment of marketing and agro processing linkages between farmer groups, markets and processors
Maintenance of Records	Not much importance as the focus was on production	Very important as agriculture viewed as an enterprise to understand the cost benefit ratio and the profits generated
Information Technology support	Emphasis on production technologies	MI including likely price trends, demand position, current prices, market practices, communication network,

agricultural production (FAO, 2000). Extension education needed to be focused on marketing aspect, particularly on to produce more quantitative and qualitative products for export-oriented standard from existing available resources to create the new avenue of income generation (Singh, B. P. *et al* 2004). It is expected that future agricultural growth would largely accrue from improvements in productivity of diversified

farming systems with regional specialization and sustainable management of natural resources, especially land and water. Effective linkages of production systems with marketing, agro-processing and other value added activities would play an increasingly important role in the diversification of agriculture (MOA, GOI 2001).

The Government provides much of the infrastructure required for efficient marketing. One of

the most important is the information and extension services to farmers besides transport & communication facilities, public utility supply, like water, electricity, fiscal and trade administration and public storage, market and abattoir facilities (FAO, 2000). The emerging market-driven model of organizing extension systems is a 180-degree change in direction from the traditional linear model of linking research to extension to farmers.

Basics of market led extension

- * Market oriented production
- * Updated knowledge of market
- * Market intelligence
- * Use of technology
- * Appropriate extension approaches

Problems related with market led extension

Production related

- * Seasonality of production: Supply not uniform
- * Perishability of produce: Problem of storage facility like invalidity of proper storage facility.
- * Bulkiness of production: Transportation problem

Market related

- * *Non - availability of MI: Lack of information about the market*
- * *Existence of middleman*
- * *Inferior quality of produce*

Extension related

- * Lack of communication skills
- * Lack of credibility
- * Insufficient information related with market

Challenges

- * The challenge is to motivate the extension personnel to learn the new knowledge and skills of marketing before assigning them marketing extension jobs to establish their credibility and facilitate significant profits for the farming community.
- * Sporadic success stories of using information technology by farmers are publicized. A whole network of skilled personnel need to be engaged in collection of current information and creation of relevant websites pertaining to/serving specific needs of farmers.
- * Generation of data on the market intelligence would be a huge task by itself. There is a dire need to upgrade basic facilities and free the extension cadres from the shackles of the hygiene factors and

enthuse them to look forward for the motivating factors like achievement, job satisfaction, recognition etc.

- * Reorganization of the extension system: the position of additional director extension may be redesignated as additional director extension and marketing and be made to look after the extension and marketing.

Roles of agricultural extension personnel in light of market-led extension

- * SWOT analysis of the market
- * Organization of Farmers' Interest Groups (FIGs)
- * Supporting and enhancing the capacities of locally established groups under various schemes/ programmes
- * Enhancing the interactive and communication skills of the farmers.
- * Establishing marketing and agro-processing linkages between farmers' groups, markets and private processors.
- * Educating the farming community.
- * Direct marketing-farmers need to be informed about the benefits of direct marketing.
- * Capacity building of FIGs in terms improved production, post harvest operations, storage and transport and marketing.
- * Acquiring complete market intelligence regularly on various aspects of markets
- * Regular usage of internet facility through computers to get update on market intelligence
- * Production of video films of success stories of community specific farmers

Required information to extension system and farmers

- * The present agricultural scenario and land pattern
- * Suitability of land holding to various crops
- * Crops in demand in near future
- * Storage facility
- * Direct marketing- Direct marketing by farmers is being encouraged as an innovative channel.
- * Credit facilities- Helps farmers to arrange quality of input required for production
- * Desired qualities of the products desired by consumers- needed for competitive marketing.
- * Market network of the local area and the price differences in various markets

- * Network of storage and warehouse facilities available.
- * Production technologies like improved varieties, organic farming, usage of bio-fertilizers and bio-pesticides, right methods of harvesting
- * Post-harvest management like processing, grading, standardization of produce, value addition, packaging, storage, certification, etc. with reference to food grains, fruits and vegetables, eggs, poultry, fish, etc. value addition is the process of changing or transforming a product from its original state to a more valuable state. (Rajalahti *et al* 2008)
- * Transport facilities- Especially for perishable produce like milk, vegetables.
- * Post-harvest management - processing, grading, standardization of produce, value addition, packaging, storage, certification, etc.
- * Contract farming- Contract farming that helps infusion of new technology and capital in farm business should be popularized and encouraged.
- * Food retail chains- Major conditions for successful interlocking between agribusiness firms and small producers are increased competition for procurement, guaranteed market for farmers produce, effective repayment mechanism, and market information for farmers, which should be adequately recognized in evolving contract farming agreements.
- * Food safety and quality standard- Should promote consumer demand for safe and healthy foods, so that the demand will drive the implementation of food safety measures, which will ultimately enable us to capture global markets. Price incentives can provide demand-pull for quality and safe food.

Government initiatives- Steps taken by Government

- * Central warehousing Corporation-1965
- * MSP by CACP

- * Food Corporation of India, NDDDB, APEDA etc.
- * Partnership with KVK & ATMA for effective technological reach (R-E-F-M)
- * Networking with Banks
- * MANAGE- One year diploma in Agricultural Extension Services for Input Dealers (DAESI)

Challenges ahead related with market led extension

- * Training programme for extension worker-It makes them skilled, able to take decision according to situation.
- * Basic concepts and issues in markets and marketing
- * Introduce market-oriented approach into extension
- * Development of local market and promoting local consumption
- * Entrepreneurial training to farmers
- * Linking farmers to markets
- * Market reforms- It includes partnership with KVK & ATMA for effective technological reach. To facilitate the State Governments, Ministry of Agriculture should frame model rules and procedures for circulation to states as guidelines.
- * Formation of Market-Led Extension policies and its implementation

CONCLUSION

Market-led extension system establishes its position by helping the farmers realize high returns for the produce and minimize the production costs and improve the product value and marketability. Information technology, electronic and print media need to be harnessed to disseminate the production and market information Indian farmers have moved from subsistence to self-sufficiency due to advent of production technologies. In order to be successful in the liberalized market scenario they have to shift their focus from 'supply driven' to market driven' and produce according to the market needs and earn high returns.

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