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MARKET-LED EXTENSION- AN OVERVIEW

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Globalization and WTO regime have made the extension functionaries to play a major role in getting better price to farmers farm produce. Hence extension should extend focus from production to market led extension. Farmers must change their roles from domestic producer-sellers to producer-cum-sellers in a broader market sense in order to realise a return on their investment in light of market globalisation.

Farmer should sensitize on the production aspects like:

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|---|--------------------------------|
| i. What to produce | vi. Various aspects of quality |
| ii. When to produce | vii. Consumer preference |
| iii. How much to produce | viii. Market intelligence |
| iv. When and where to sell | ix. Value addition etc |
| v. At what price and to whom to sell his produce. | |

Why

- Even after independence the quality, timely and cost-effective delivery of adequate inputs remains a dream.
- Farmers cannot profitably sell their excess product.
- Plenty of distress sales among farmers.

Concept

A market-led extension is a tool for effectively delivering sufficient and high-quality information to farmers so they can make decisions about production and marketing that will maximise their return on investment without endangering the needs of future generations. Farmers must change from being merely producers-sellers in the domestic market to producers cum sellers in a wider market sense in order to best realise the returns on their investments, risks, and efforts considering the market's globalisation. Along with production

technologies, extension workers now need to equip themselves with market knowledge, which necessitates teaching them new training techniques. This necessitates the adoption of fresh extension strategies that focus on productivity to profitability, subsistence to commercial agriculture, commodity-oriented to farming systems-oriented, local market to export markets, mono-cropping to crop diversity, and other issues. The extension functionaries' attention needs to go beyond production. The importance of quality, consumer preferences, market intelligence, processing, value addition, and other marketing information should be made clear to farmers.

- Market: - A market is a place for buyers and sellers where they can exchange goods and services.
- Market led: - Identification of customer needs and wants before giving a service.
- Extension: - Transfer of technology.
- Market led extension as a market ward orientation of agriculture through extension includes agriculture and economics and is the perfect blend for reaching at the door steps of farming community with the help of appropriate technology (Khaleel *et al.*, 2007).

Basics of Market Led Extension

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

History

- Before MLE there is mainly focus on production i.e., PLE.
- First it was started in Kerala in 1993.
- Experiment was conducted with the help of SHGs and Market oriented production.
- MANAGE started working on the concept of MLE and beginning was made through a three-day national workshop on MLE at MANAGE during 118th – 20th December 2001.

Advantages of MLE

- i. Future marketing will diminish the role of middle men in the marketing system.
- ii. MLE helps in reducing the scarcity of a product.

- iii. It gives more income and guides them to decide regarding selection of crops as per farming situation.
- iv. It helps to link farmers more closely to consumers.
- v. It can regulate production based on consumer preferences for quantity, quality, variety and food safety.

Principle of MLE

- i. If there is not a market, farmer should not be encouraged to produce a specific crop or product. The first task that must be done is to evaluate the prospective markets for various high-value crops or goods that may be effectively produced in various blocks around the district.
- ii. If farmers cannot easily transport the products to market search for more promising products that can be easily marketed.
- iii. If the crop or product cannot be successful grown or produced within the district due to unfavourable Agro-ecological conditions, then look for more promising crops or products crops or products that are well suited to the districts.
- iv. Diversified into a range of high-value items and commodities that are ideal for the district's various farmers' or women's interest groups (FIGs). By preventing the market from becoming oversaturated with just one or two items, this strategy will reduce risk without lowering pricing. (Singh *et al.*, 2006)

Need

- i. Conversion of P-L-E into M-L-E.
- ii. Orientation of extension system with knowledge and skills related to the market.
- iii. Minimization of production cost.
- iv. Introduction of export-oriented product.
- v. Modernization of wholesale markets or new markets with new Agricultural policy.

Objectives of MLE

- i. To determine potential regions for extension or involvement in agricultural marketing.
- ii. To build up and use effective extension methodologies for providing need-based support to farming community in marketing of their produce.
- iii. The present linkage among Research-Extension-Farmers is extended by market linkage.

- iv. To identify and communicate innovation for value addition practices and post-harvest technologies.
- v. To develop network and action plans for extension to support marketing of the product at different level.
- vi. Conversion of agricultural sector into profit-oriented business.
- vii. Strengthening R-E-F linkages – between various department at various levels.

Types of information required in MLE

- ❖ Demand of Agro based products or crops under the present agricultural scenario.
- ❖ Technical options available in respect of crop or commodities.
- ❖ Requirement and availability of inputs.
- ❖ Credit facilities availability.
- ❖ Quality dimension of the product to ensure consumers acceptance.
- ❖ Availability of a network of warehouse and storage facilities.
- ❖ Transport facilities.
- ❖ Market structure in the neighbourhood and pricing variations amongst markets.
- ❖ Regular updating of market intelligence.
- ❖ Post-harvest management



Fig 1: Dimensions of MLE

Prospects of MLE

Market-led extension has a huge potential to pave the way for optimal production on a sustainable basis, especially considering the present worldwide trend of problems in the food production process. Over the years, "lab to land" had received a lot of attention in our nation; now, the emphasis should be on "farm to fork". Countries that have a competitive advantage are eager to export their production to any country in the world. Future success for Indian Agricultural Development, however, can be ensured thanks to the new functional role of extension staff under Market Driven Extension. Below are a few of the expected functional responsibilities of extension employees. Some of the expected functional roles for extension employees include the ones listed below. This includes SWOT analysis of the market, organizing commodity-based farmers' interest groups and farm management capacity building, Backward and forward linkage, Farmers exposure to market intelligence and guidance for quality decision about market. Therefore, key answer to the above questions will empower farmers in both production market-oriented knowledge which is the sole responsibility of Extension functionaries through Market Led Extension

Challenges in MLE

- Rapid changes in the information tech and need for collection of relevant information.
- Market intelligence data generation through the integration of the line departments of agriculture and marketing.
- Reorganization of extension system.
- Strong communication skills with credibility

Challenges Ahead Related With Market Led Extension

- ❖ Training programme for extension worker
- ❖ 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.
- ❖ Formation of Market-Led Extension policies and its implementation.

Constrains in MLE

1. Production related

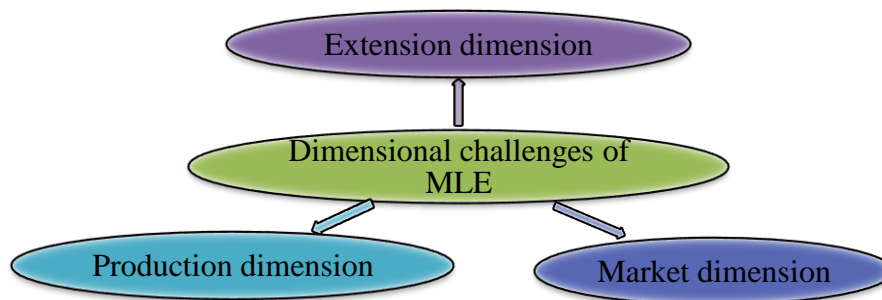
- a) Seasonality of production
- b) Perishability of the produce
- c) Bulkiness of the production

2. Market related

- a) Non availability of the market intelligence, which is one of the important issues.
- b) Existence of many middlemen is one of important problem.
- c) The inferior quality of produce is another issue in the market

3. Extension related

- a) Lack of communication skills of the farmers, who are the primary producers.
- b) Lack of credibility of the farmer.
- c) Insufficient information related to the market



Role / Strategies of Agricultural Extension in MLE

- i. Identify the market demands in terms of produce for the present and the future.
- ii. Creation of a strategy plan for market-led extension at the district, block, and village levels.
- iii. SWOT analysis of the market
- iv. Organization of Farmers' Interest Groups (FIGs) on commodity basis and building their capabilities regarding management of their farm enterprise.
- v. Enhancing the interactive and communication skills of the farmers to exchange their views with customers and other market forces (middlemen) for getting feedback and

gain the bargaining during direct marketing ex. Rythu Bazars, Agri-mandi and Uzhavar Sandies etc.

- vi. Supporting and enhancing the capacities of locally established groups under various schemes /programmers like watershed committees, users' groups, SHGs, water users' associations, thrift and credit groups.

Government initiatives- Steps taken by Government

- ❖ Central warehousing Corporation-1965
- ❖ MSP by CACP
- ❖ Food Corporation of India, NDDDB, APEDA etc.
- ❖ Collaboration with KVK & ATMA to expand technology effectively (R-E-F-M)
- ❖ Networking with Banks
- ❖ MANAGE- One year diploma in Agricultural Extension Services for Input Dealers.

Marketing Extension Techniques

- Market Oriented Production
- Crop Budgets
- Input Supply
- Finance & Credit
- Investment Advice
- Harvesting
- Grading, Packing & Storage
- Transportation and Distribution
- Improved communication in the marketing chain
- Establishing collection centres, village and assembling markets
- Working with Farmers Groups or Associations
- Working with Agribusiness
- Using market information

Conclusion

Market Led Extension is perfect blend and synergy between Extension Education, Agricultural Economics, and Agricultural Marketing. Extension functionaries need to work more in the area of marketing using extension strategies in order to disseminate not only production but essentially marketing related information for holistic sustainable agricultural development. The focus of the extension functionaries needs to be extended beyond production. Farmers should be sensitized on various aspects of quality, consumer's preferences, market intelligence, processing and value addition and other marketing information. To provide farmers with information on production and markets, it is necessary to fully utilise the possibilities of electronic, print, and information communication technologies. This will help the farming community realize high returns for the produce, minimize the production costs, and improve the product value and marketability. Now it should focus on the market needs, the farmer's needs and with an objective of enhancing the income levels of the farmers, which is the focus of the established governments also.

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