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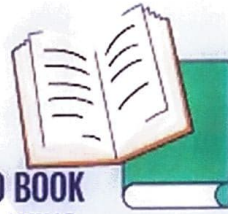
Rural Marketing





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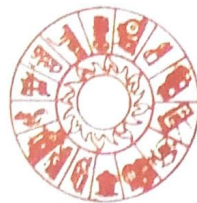
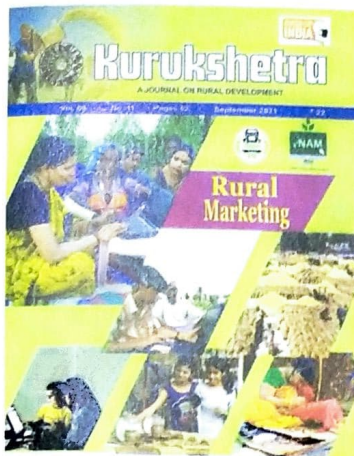


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'Rural marketing' and 'rural product marketing' play an important role in a country like India where more than 65 percent of the population lives in the rural areas. In the agriculture sector, the Government of India has been making concerted efforts to bring reforms in agricultural marketing. In this issue, we have covered several key subjects related to Rural Marketing including 'Rural Product Marketing and Brand Management'.

India has travelled a long way from a period of subsistence farming to the generator of surplus agri-output. This situation calls for a paradigm shift towards the development of a full-proof and sustainable agri-infrastructure ecosystem. The article titled as 'Rural Marketing Infrastructure', explains about efficient marketing system which requires huge investment in physical and digital platform and help rural producers to engage with urban markets.

The Central Government has been reforming the agriculture marketing system to facilitate farmers in selling their produce at a better price. To support this, several policies and programs are being supported by higher and non-budgetary financial resources by way of creating corpus funds, market reforms, Agri-Export Policy, promotion of FPOs and creation of agricultural marketing infrastructure.

Physical or hard infrastructure such as roads, bridges, railways, electricity and fuel are important to enable transport, storage and physical access between producers and consumers. The Pradhan Mantri Gram Sadak Yojana (PMGSY) is a central project which is implemented with the contribution from State governments, with an objective to provide rural connectivity through roads.

The article titled as 'Communication Strategies in Rural Marketing' talks about positive implications of marketing the products. It also explains the importance of pricing, promoting, and distributing rural specific goods and services leading to a desired exchange with rural customers to satisfy their needs and wants, and also to achieve organisational objectives.

In the India@75 series, we have carried out an article on 'Panchayati Raj: Present Status and Future Prospects'. India has remarkable achievement of continuing Panchayati Raj System, which is an integral part of our culture and civilisation.

We hope that our readers will be immensely benefited and will get all desired information related to the Rural Marketing in this issue.

Stay Home Stay Safe! Happy reading.

Rural Product Marketing and Brand Management

Dr. R. C. Srivastava

Rural marketing and rural product marketing play a prominent role in a country like India where more than 65 percent of the population lives in rural areas. There is a significant difference in the standard of living, taste and preferences between rural and urban consumers. In order to market rural products, we have to understand the dynamics of both rural and urban consumers and develop a customised marketing and branding strategies for these categories of segments. The objective of this article is to highlight the rural product marketing and branding strategies to achieve its fullest potential in the Digital India by addressing obstructions and opportunities for marketing of rural products.

Many times rural product marketing is misinterpreted as rural marketing. Rural marketing primarily views rural population as consumers, whereas rural product marketing focuses mainly on marketing of the products manufactured by rural population. A clear distinction between these concepts helps in developing a better marketing and branding strategy for rural products. Since the rural products are being consumed by both rural and urban consumers who differ significantly in terms of their education, awareness, income, lifestyle, taste and preferences; therefore, there is a need to develop customised marketing strategies for both these categories of consumers.

Rural marketing is an umbrella term which involves the process of developing, pricing, promoting, distributing products and services

primarily to rural consumers. However, the source of these products or services may be anywhere (i.e. in both rural as well as urban areas). Growth in rural areas even during COVID-19 pandemic highlights a huge potential of this segment as a demand centre. Many companies, who manufacture pesticides, FMCG products, consumer durables, etc., have succeeded in their efforts to tap the rural markets by fulfilling the needs of the rural consumers. Based on these experiences, rural marketing may be viewed as a successful effort. However, the rural product marketing has not resulted into a similar growth trajectory even after a continued efforts and support from the governments. Therefore, it is important to understand the roadblocks and develop contextualised marketing strategies for rural products.



The origin of bulk of rural products is agriculture and allied activities, which are mainly sold in the form of 'raw' only in both rural and urban areas. However, a significant by-product of agriculture and allied sector are primarily sold to the nearby rural areas. In certain cases, where there are additional facilities, these raw materials are further processed and sold in more remunerative centres. For example, companies such as ITC, Adani, Kargil etc., purchase agri commodities in bulk from rural areas. Similarly, companies like Reliance Fresh, Safal Market procure fruits, vegetables, mushroom, bakeries and other perishables through direct marketing.

In addition to these aforementioned products, handicrafts and service providers such as goldsmiths, carpenter, blacksmiths, kammar, cobbler, barber, handicraft manufacturers etc., also form an important category when we discuss rural product and services marketing. The major forms of handicrafts in India are: Khadi (cloth that is woven from handspun yarn), cotton handlooms, silk handlooms, Zari (silver and gold thread work) and embroidery carpets, miscellaneous products made of wood, bamboo, cane and grass, leather manufacture, earthenware plating/polishing/engraving metals, jewellery and related products, making of musical instruments etc. Different states have their own handicrafts known for their own work, history and cultural heritage across the country. For instance, the crafts of Andhra Pradesh are known for their aesthetic and utilitarian value and are also rich and flamboyant. The crafts of Arunachal Pradesh are wood carvings, weaving, carpet making, pottery and jewellery making. The crafts of Bihar that include stoneware, carpet making, glasswork and wood inlays, have their own patterns, styles and manifest the rich cultural heritage of the state. Nevertheless, some world famous India's Handicrafts are wood work from Saharanpur, Uttar Pradesh; Paper Mache from Srinagar, Jammu and Kashmir; Ceramic from Jaipur, Rajasthan; Semi-precious jewellery from Mumbai, Maharashtra; home furnishing from Kalamkari, Andhra Pradesh; Stone Inlay / Undercut from Agra, Uttar Pradesh; Ajrakh Block Printing, Gujarat; Annibuta Sari from Andhra Pradesh; Appliqué and Patch Work, Goa / Orissa/ Gujarat; Applique from Rajasthan, Himachal Pradesh, Andhra Pradesh; Arani Silk Sari Weaving from Tamil Nadu; Baluchari Saris from West Bengal; Batik, Terracotta from West Bengal, etc. to name a few.

Proper marketing of rural products and services may increase the existing income level of rural poor and provide them a better livelihood opportunity. However, due to multiple limitations these products and services deal could not be fully exploited to benefit the producers. Some of the reasons are highlighted in the next paragraphs.

Challenges in Rural product marketing

There are several challenges or roadblocks which may create difficulty in marketing of rural products. The common inherited problems faced by the Indian rural marketers include scattered production, physical distribution, logistics, proper and effective deployment of sales force and effective marketing communication, etc. Some of the major problems are discussed below:

- i) **Low Landholding Leading to Lower Scale of Production:** The average landholding size per household is very low (~1.0 hectare). If we take into account per family size and non-agricultural area, the available land for agriculture further reduces. This results into a very low level of surplus production at family level. Selling this surplus produce at a remunerative price becomes a challenge, more so when there are limited numbers of efficient aggregators.
- ii) **Seasonal Production:** Seasonality of agriculture and allied produce creates gluts during harvest seasons and scarcity during lean seasons, thus affecting consistency in supply.
- iii) **Scattered Production Centres:** Rural production centres are highly dispersed and requires a lot of efforts on aggregation, organisation and communication among stakeholders. Although efforts are in pipeline, the issue is still a critical in the country.
- iv) **Low Demand in Rural Areas:** Agriculture and allied activities is the main source of income in rural areas and hence spending capacity of consumers mainly depend upon the agriculture produce. Due to seasonality associated with agri-income, demand for the rural product may not remain stable or regular. This poses another set of challenges and limits attractiveness of the rural market as a key demand driver of these products.
- v) **Limited Access to Remunerative Market in Urban Areas:** Due to lack of information about the remunerative market, perishable



nature of produce and non-availability of low cost storage facility in the nearby region, rural producers have to rely on various intermediaries (viz. formal as well as informal) for selling their produce for consumption by the urban market. This limitation leads to exploitation by the intermediaries.

- vi) **Transportation and Warehousing:** Although, the quality of roads and their connectivity to villages are improving, still there is a significant disparity on this front across regions of our country. Many villages are located in hilly terrains that may hinder them to sell their products to urban markets. Most marketers use tractors or bullock carts in rural areas to distribute their products. This creates challenges for efficient transportation and thus affecting the supply chain of rural products. Warehousing is another major problem in rural areas, as there is hardly any organised agency to look after the storage issue. Efforts towards warehousing are dependent on rural entrepreneurship and government schemes only. The services rendered by central warehousing corporation and state warehousing corporations are primarily available in urban and suburban areas.
- vii) **Ineffective Distribution Channels:** Due to scattered production, there is a requirement of context centric customised distribution channel. Presently, there are a large number of intermediaries, which in turn increases the cost of transportation and also creates administrative problems due to poor communication and coordination. Due to lack

of proper infrastructure, producers have no option but to depend on these agencies for selling their products.

- viii) **Lack of Awareness and Literacy about Remunerative Market:** Limited use of digital technology, government schemes and incentives including access to cheap financing options also hinders the pace of rural product marketing.

ix) **Many Languages and Diversity in Culture** also limits rural sellers to seamlessly operate in all markets. This limitation coupled with poor resources and infrastructure also restricts their mobility and product marketing efforts.

Although the above challenges seem difficult to overcome, however, factors such as rising per capita income, increasing awareness towards use of sustainable and environmentally friendly products, health consciousness of consumers etc., also provides an opportunity to marketers to focus on rural products. Following suggestions are proposed to help in solving the problems associated with rural product marketing in India:

- i) **Emphasis on Aggregation:** Marketers may leverage contract farming, Self Help Groups (SHGs), Farmer Producer Organisations (FPOs), Cooperatives etc., so that localised aggregation could be done in a cost effective manner. Government of India is also promoting these institutions to promote the sales of rural products. The marketers can invest in awareness generation among rural producers for setting up of such organisations. Location specific multimode transportation (e.g., cart for hills, vans in rural areas) can play an important role in aggregation.
- ii) **Creating Localised market through Rural Marts:** Promoting setting up rural marts as rural areas also happen to be a market for the rural products. This kind of rural mart has become more popular in Andhra Pradesh and Karnataka

(Raitha Santhe) wherein the rural producers will come to these bazaars every day and sell their products on their own in the specified stalls allotted for them. In this direction, the state of Sikkim has introduced social processes to collectivise production and marketing. They will not have to wait for the weekly bazaars or haats.

- iii) **Promoting Collaborations with Commercial Organisations:** In addition to the demand driven collaborations between large commercial institutions and rural enterprises, the government should also promote incentive driven collaborations so that more such capable institutions foray into rural product marketing. These incentives could be in the forms of lower interest rates, exemption of certain taxes, consideration of some portion of such investments as CSR funds etc.
- iv) **Emphasis on New Product Development:** Traditional rural products may not be able to generate more returns to the producers as well as marketers. Therefore, emphasis must be given on developing new technologies and adoption of these technologies for creating a diversified portfolio of rural products. Use of such technologies to convert non-usable agri-wastes into aesthetically appealing products such as handicrafts, developing sustainable and environment friendly packaging materials etc., could be useful for rural product marketing. However, venturing into new product development should be based on a thorough market research so that such initiatives are sustainable for rural enterprises.
- v) **Skilling Rural Workforce:** In addition to efforts towards developing entrepreneurship, there is a need to simultaneously focus on skilling rural producers with basic skills of business management and administration. Educational Institutions and Universities imparting business management education can be roped in for the same. Such skilling efforts will help in providing well trained, relatively low-cost and attitudinally aligned workforce to organizations and further improve the viability of rural product manufacturing and marketing efforts. These trainings should also focus on online and digital marketing as this will develop their capabilities to explore markets beyond their regions as well.

- vi) **Communication and Promotion of Rural Products:** A lot of emphasis is needed on generating awareness about various products, brands and qualities of rural products. All channels of communication and promotion viz. TV, FM Radio, cinema and point of purchase advertising, audiovisual publicity vans, events like melas, festivals, fairs, dance and drama shows, temple festivals, regional celebrations, group meetings etc., may be used depending upon the target segment. Use of local language should also be context and region specific.

With the rise in smartphones and internet penetration in India (both rural as well as urban), there has been a rising trend towards use of social media for communication. Therefore, due emphasis may be given by the marketers on leveraging such social platforms namely LinkedIn, Facebook, Twitter, Whatsapp, other media portals etc., for promotion and marketing of rural products. Large scale events, fairs, exhibitions, and conferences may also be utilised for promoting these products.

- vii) Digital and online marketing should be leveraged immensely as these provide huge benefits in terms of reaching to the customers across the globe. Online government platforms can also be very useful for such transactions.
- viii) Direct marketing for rural products using SHGs and other community-based enterprises may help in the growth of market for these types of products. Adequate trainings may be arranged to handle the activities like door-to-door sampling, marketing and product promotion in a culturally sensitive manner.
- ix) **Good Branding –** Rural products lacks branding like FMCG products, there is a need for proper branding of rural products to attract and retain customers.

Rural Product Marketing Strategies

Rural product marketing concept is a customer centric 'sense and response' philosophy. Here are some of the strategies followed by MNCs and local companies for rural product marketing successfully.

- **Product Strategy:** The rural consumer is very conscious about getting 'value for money'. Low

price, high quality and multiple uses are some of the basic considerations for rural product design in addition to other features like nutrition, medicinal feature etc. For example, during COVID-19 pandemic, many jaggery (gur) manufacturers in Bihar, Karnataka, and Tamil Nadu have mixed ginger in the jaggery and sold it as a remedial measure for COVID-19. The product should be developed as per the needs and requirements of the consumers in different sizes and quantities. Based on product features and target segment, it should be packaged taking due consideration of affordability, ability to differentiate, convenience of usage, product appeal, protection of products and aesthetics,

- **Pricing Strategy:** Optimum pricing strategy should be followed as per the nature of the product and quality. We may have to be very competitive in terms of pricing while focussing on the rural markets, while the same product can be priced at some premium price for urban consumers by highlighting the nature of the product, its creation, tradition, geo-tagging etc.,
- **Promotion Strategy:** The challenge is to create communication that would help the rural and urban consumers in recognising brands, logos, visuals and colours. A brand must associate with their culture and personality for the effective marketing of rural products.
- **Product Placement and Distribution Strategy:** Physical collection, distribution, managing logistics and controlling marketing communication are major impediments for marketing of rural products. The collection and distribution structure involves stock points in feeder towns to serve the retail outlets at rural and urban centres. Multiple distribution strategies may have to be used depending upon product, target customers, availability of logistics, transportation and warehousing infrastructure. In addition to traditional sales point such as retail outlets, fairs, etc., marketers should lay a lot of emphasis on collaborating with public distribution system (Fair Price Shop) particularly in rural areas. Rural shopping malls or rural marts could also be useful in both selling goods (rural products) to the rural communities in addition to buying

their farm and non-farm produce and thus acting as a two-way supply chain.

Brand Management in Rural Products

Branding plays an important role in the marketing of any products or services, which is not an exception to the rural products. It helps in identifying the products among competitors which builds a connection with its consumers. Any best business would seem dull without good branding. Special efforts should be made on branding of rural products as to ensure their sustained sales and improving the returns for the producers as well as marketers. For branding purpose, one may not only use the quality attributes and positive externalities of the products (such as environment friendly, healthy etc.) as the drivers, but also capitalise on historical and cultural importance of the place of their production using Geographical Indication (GI) tags. For example, Darjeeling tea was the first item to obtain a GI tag in the country way back 2004. As of now, the highest numbers of GI tags were bagged by fruit crops followed by vegetables. Cultural significance could also be leveraged in promoting rural products such as Bihar Madhubani paintings and crafts. The challenges of product branding are enlisted as follows.

Challenges in Rural Product Branding

- Deprived markets and Deprived People in Rural Areas:** A majority of rural population in the country is under the category of Below Poverty Line (BPL) and the markets are underdeveloped. Further, the customers are of more tradition-bond rather than brand-bond.
- Multi-linguistic Customer Base:** Indian rural market has many languages and dialects that create a barrier for communication.
- Low Literacy:** As compared to urban customers, the rural customer base have lower literacy rate which creates print media to become ineffective and irrelevant. Many times, illiterate customers can hardly recognise the spurious brands in the local market.
- Difficulty in Understanding Brand as an Asset:** Lack of thinking to an extent of other brands in general leads to difficulty in understanding the importance of brand and its value. More thought process is required to create a brand in the case of rural product marketing.

- v) **Maintaining the Relevancy and Consistency is Difficult:** Most of the rural products are of nature dependent. Hence, branding must be approached proactively and holistically. Sometimes, it is difficult to address the negative responses of the customers and maintain enough energy to deal with these responses posted in the social media.
- vi) **Branding is a Costlier Affair:** Since branding is much costlier, it has to be created at the aggregators or organisational level.

Suggestions for Rural Product Branding

A few suggestions for branding of rural products can be created as follows:

- i. **Use of Geographic Indication (GI) tags** – the sign used on products that have a specific geographical origin and possess origin-based qualities and reputation in the region help largely in promoting the rural products as brand.
- ii. **Creating brand Ambassadors by the Government** - Unlike other FMCG products, to promote branding in agriculture, the Government should utilise the top Government Officials (especially IAS Officers) and Ministers as Brand Ambassadors. The GI tags, nutrients and quality parameters may be used as their special features of the products. Further, appointing the local celebrities as brand ambassadors to promote rural products were found successful in the state like Karnataka, wherein the brand 'Nandini' of Karnataka Milk Federation (KMF) has received highest popularity in the state.
- iii. **Highlighting the Product Features** – Creating the awareness about brands by highlighting the features like organic nature, nutrition, origin (like Madhubani painting, Alfanso mango, Litchi honey etc.), tradition etc.,

Conclusion

There is a growing demand for rural products in India. In spite of multiple issues and roadblocks, it provides a good opportunity for producers as well as marketers to tap this potential. As mentioned earlier, due emphasis is required to be given to the activity of aggregation of produce, creating localised market through rural marts, promoting collaborations with large commercial

organisations, new product development, skilling rural workforce, contextual communication and promotion, digital, online and direct marketing and branding for successful marketing of rural products. Multipronged strategies of product development, pricing, promotion and distribution will be required to en-cash the growing market for rural products. The inefficiency of rural supply chain is one of the major issue as there are many stakeholders involved in rural production and marketing. Consolidation, collaboration and co-ordination among these stakeholders shall play a key role in exploiting this untapped market. The successful models like 'Hub-and-Spoke' model of Coca cola, 'Project Shakti' of HUL, 'Utsav' campaign by Asian paints may be adopted while marketing of rural products. The rural product branding may be promoted by creating brand ambassadors such as popular government officers, politicians and local celebrities for rural products.

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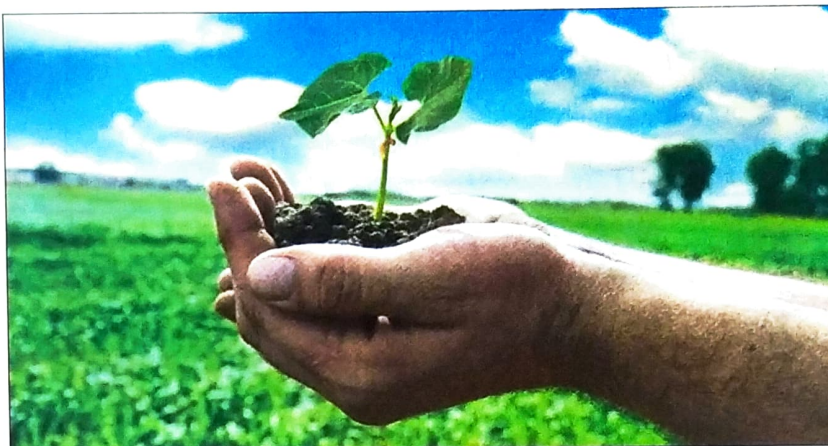
Effective Marketing through Rural Collectives

Dr. K. K. Tripathy

India has travelled a long way from a period of subsistence farming to the generator of surplus agri-output. This situation calls for a paradigm shift towards the development of a full-proof and sustainable agri-infrastructure ecosystem. It is certain that agriculture, like any other economic enterprise, can sustain only when it generates positive and appreciable economic returns to the farmer producers. Reliable, efficient, competitive and accessible market with adequate post-harvest and marketing infrastructure have the potential in generating net positive returns to the farmer producers.

India's economic policies have always highlighted the importance of raising farmers' income not only through product and productivity growth but by systemic and quick disposal of their marketable surplus. India's 54.6 percent population is still engaged in agriculture and allied activities. India is one of the world's largest producers of pulses, spices, and milk. Substantial chunk of India's cultivable land is under three major crops viz. wheat, rice and cotton. However, the agrarian community is yet to taste the benefits of increased productivity due to the challenges posed from climate, agricultural market and trade domain in the globalised context. Further, lack of capital asset endowments in rural areas compels the farmers to sell their primary produce at throwaway prices to the middlemen and commission agents. The biggest challenge is, thus, how to make agriculture remunerative and an attractive business proposition by guaranteeing appropriate marketability of the rural and agricultural produce.

A number of measures recently implemented by the government are directed not only to increase production and productivity, but also to ensure smooth and enhanced marketability and proper price discovery for farm profits and income of farmers through improvement of existing marketing infrastructure in rural areas. Prominent agri-market infrastructure creating initiatives have been directed towards (a) connecting more mandis through National Agriculture Market Scheme (e-NAM) (b) developing rural haats into Gramin Agricultural Markets (GrAMs) (c) creation and utilisation of Agri-Market Infrastructure Fund (d)



linking rural markets through Pradhan Mantri Gram Sadak Yojana (PMGSY) roads (e) developing cluster based agri-products for better demand-supply management of agri-produce. While these policy directions are noteworthy, the real challenge is to establish appropriate infrastructure at the right place and identify stakeholders so as to effectively and efficiently implement various market development interventions right at the grass-root level. In this context, this article explains effectiveness of rural community collectives like Self-help Groups (SHGs), Producer Groups (PGs), Farmer Producer Organisations (FPOs), Cooperatives and the similar common community interest groups in making rural marketing architecture all-inclusive, hassle-free, active and efficient.

Combined Efforts of Collectives in Rural Marketing

The rural collectives aim at creating sustainable and profitable local livelihood opportunities. Producer Groups (PG)/Self-Help Groups (SHG)/Farmer Producer Organisations (FPOs)/ Cooperatives need to focus not only on strengthening livelihood value chains in rural areas, but also to create vibrant marketing facilities like storage centres / collection centres at the cluster level, mini storage centres at the village level, and

nano-packaging units. The collectives are well-suited to strengthen marketing skills amongst the stakeholders in the community through initiation of capacity building programs and by facilitating bank linkages, technology adoption and logistics management. The collectives are always in a better position to act as a social community-based platform for performing activities and providing facilities for exchanging of commodities between the buyers and sellers. The collectives can be oriented easily to ensure effective coordination with village level producer groups and devise commodity-wise market development plans in consultation with the line department of the district administration. The community with the help of an expert resource person can adopt a detailed Strength, Weakness, Opportunity and Threat (SWOT) analysis on drawing up a crop calendar, financial resources envelopes, convergence requirements, available markets and marketability and future market avenues outside the community cluster etc.

The collectives, with active participation of members, can successfully facilitate and augment economic performance of their businesses, while maintaining their own financial solvency and generating sizable self-employment avenues in the local areas. Women Cooperatives, in particular, have tremendous ability to enhance their capability and to empower their own members through active collaboration between the community and the public authorities while carrying out their economic activities. Inner strength of socio-economic cooperation plays an active role in women empowerment through entrepreneurship and livelihood development.

Marketing: Need for Paradigm Shift

India has travelled a long way from a period of subsistence farming to the generator of surplus agri-output. This situation calls for a paradigm shift towards the development of a full-proof and sustainable agri-infrastructure ecosystem. Even though India has achieved the objective of food security through implementation of several employment and income generation programmes and other various poverty reduction strategies, and farmer-production centric approaches during the country's Five Year Plans; the real challenge which still remains is how to monetise the efforts of farmer and socio-economically poor citizens and how to ensure their well-being in a rural and unorganised economic setup. It is certain that agriculture, like any other economic enterprise, can sustain only when

it generates positive and appreciable economic returns to the farmer producers. Reliable, efficient, competitive and accessible market with adequate post-harvest and marketing infrastructure have the potential in generating net positive returns to the farmer producers.

A Case for Improved Agri-market Infrastructure

Marketing of farm produce has traditionally been channeled through a network of agricultural markets, predominated by Agricultural Produce Market Committee (APMC) regulated markets. At present there are 2,284 APMCs which operate 2,339 principal markets. These principal markets have expanded their footprint to a total of 4,276 sub-market yards. The need of the hour is to put in place better farmer-market linkages. This can be achieved through a concerted collective effort at the local level by developing and up-grading large and varied agriculture marketing infrastructure in the country.

There exist several issues and challenges before the country's agriculture and rural marketing scenario. One needs to explore resolution mechanisms of such issues and challenges through collective community efforts. Some of the vital issues and challenges which can be resolved for ensuring better marketing avenues in rural areas are as follows:

- **Handling Marketable Surplus:** Collectives like SHGs, Cooperatives and FPOs have the potential in effectively handling and managing marketable surpluses of agricultural and allied produce including horticulture livestock, poultry, fishery, bamboo, minor forest produce by creating markets, exploring existing rural/peri-urban/urban markets, providing required facilities in the market areas and developing market infrastructure for the common good.
- **Technology and Innovation:** Collectives of the modern times can take advantage of digital revolution in India and can ensure promotion of innovative and latest technologies in pre and post-harvest and agricultural produce management and preservations systems. Startups can create innovation hubs of new age marketing and can market their products in a systematic way without compromising on the delivery speed of agri-products. Indian agriculture scene is going to look out for positive returns from the country's digital revolution.

The digital innovations and solutions have tremendous applicability in agri-infrastructure development, supply chain management and technology facilitation in the areas of quality, logistics and distribution of agri-value chain. The country's youth should come forward to bring in innovative ideas to make agri-business a success. More and more agri-related incubation units and startups are finding their ways to the Indian agriculture. The need of the hour is to ensure support infrastructure for such startups by encouraging community-owned enterprises and facilitating collateral-free loans, making available growth capital, getting relaxation in taxation on investments etc.

- **Create Marketing Channels:** Collective efforts are required to develop competitive marketing channels through the existing network of SHGs/FPOs/Cooperatives in rural areas for agricultural and allied products.
- **Inviting Investments:** Marketing infrastructure needs massive investment so as to facilitate product-specific processes in marketing and trading activities. Collectives can tie up with national and global entrepreneurs and angel investors, and open ways and means to incentivise private as well as cooperative sectors to make investments for creating modern markets and for ensuring a feasible and transparent marketing environment at the grass-root. Collectives can take benefits of their collective financial strength and can promote pledge financing and market access without depending on the outside agencies.
- **Awareness on Marketability:** Collectivisation of farmers and mobilising them to constitute FPOs/Cooperatives benefit the farmers individually and collectively to understand their collective power for higher price discovery. Awareness generation campaigns, sensitisation workshops and basic-orientation programmes through FPOs/SHGs/Cooperative members about processing and marketing of processed produce can help generating more income for the farmer members of such collectives.
- **Storage Capacity Constraints:** Collectives with their cumulative and group efforts are adept in promoting creation of scientific storage capacity for storing farm produce, processed farm produce and agricultural inputs etc. so as to reduce post-harvest & handling losses. It

is the community which can better assess the storage capacity needs of the locality and can help in meeting the gap by investing in creation/ expansion of storage capacity.

Agri-marketing Infrastructure through Community Participation

Indian agriculture, even after 74 years of independence, witnesses high price spread in agri-commodities which adversely impacts the producer as well as the consumer. This is due to the ever presence of exploitation and manipulation in agri-markets. The agriculture markets had neither been able to ensure better price discovery for the farm produce nor did they enhance appreciably the bargaining power of the farmers. Malpractices in agri-markets and exploitative attitude of village traders-cum-money lenders and other middlemen like village merchants, arhatias, commission agents, agents of processing enterprises etc. compel the farmers to resort to distress sales. Thus, the strengthening and revival of existing co-operative marketing system in agriculture would not only eliminate excessive dependence on agents and intermediaries in the organised wholesale markets (APMC Mandis) and unorganised rural periodical markets (Village Agricultural Markets), but also ensure appropriate price discovery by resolving issues of effective information dissemination, use of digitised means of marketing, management of transportation costs by joint transportation of commodities and establishment of network of warehouses for effective and timely storage of perishable and semi-perishable agri-commodities.

The need of the hour is to upgrade and strengthen the community level FPO/co-operative marketing infrastructure to undertake high volume of business on a large scale during the active business period considering the seasonality in the agriculture. The FPO/co-operative marketing units should take up activities like establishment of organised facility centres for aggregation and transportation of agri-commodities, assaying, pre-conditioning, grading, standardising, packaging and storage of the products. Such agri-marketing architecture needs to consider establishing functional logistic centres at village, taluka and district levels to facilitate aggregation and onward supply of agri-produce. Such produce can move under the ownerships of the member farmers of the co-operative marketing societies like that of the organised dairy marketing in India.

Farmers are to be sensitised and trained to skill-fully manage marketing of agri-produce by reducing cost involved in transferring these from production points to the consumers. Setting up of FPO/co-operative sale/lease Companies/Societies and co-operative warehousing units may be the best solutions to help the agriculturists realise rightful profits on their output at the community level.

The improper monetisation of agri-surplus has been due to the lack of demand in the nearby regulated and unregulated rural and agricultural markets. This is because the existing local market system is not aligned to facilitate agri-trade at a time when the production levels and marketable surplus in the hands of farmers are quite high. Thus, markets need to be integrated and should promote intermediary trade through a series of players. This would connect the produce with other demand centres and bring in appropriate and optimal price discovery.

A strong and vibrant agri-marketing infrastructure has a large potential in making agricultural and rural markets and the related marketing systems efficient by effective and timely dissemination of market intelligence and real demand statistics of the commodity. To achieve a truly unified national agricultural market, rural agri-marketing architecture needs to be reviewed, reshaped, promoted, upgraded and linked to the online platform of National Agriculture Market (e-NAM). e-NAM integrates physical wholesale mandis of different States and Union Territories and facilitates agri-commodity trade on an online platform. Being a virtual platform, e-NAM follows and ensures transparent price discovery and enables farmers to realise remunerative prices for their marketable surplus. Free registration facilities are there for farmers on e-NAM Portal. Agri-produce is sold through online, transparent and competitive bidding methods which ensure better price discovery of agri-produce. As on July 2021, while 1,000 mandis of 18 States and 3 UTs have been integrated with e-NAM, more than 1.70 crore farmers and 1.71 lakh traders have registered on e-NAM platform.

Rural collectives can be trained to understand e-NAM which is reeling under various vital issues viz. harmonisation of grades and standards, lack of integrated network between post production value chains with marketing chains – storages, logistics, asymmetry in information on market trends etc. FPOs/ cooperatives are in an advantageous position

to ensure a quality marketing ecosystem which includes value chains of produce, market channels, retailer and consumers.

Collective Warehousing

Lack of adequate warehouses and scientific storage facilities at the community can cause irreparable losses to the farmers. Storage, including cold storage and warehousing infrastructure is vital to absorb shocks during intensive price fluctuation during flush season and to ensure remunerative prices to the farmers by carrying over the agricultural produce from production periods to consuming periods. Even though Central and State Warehousing Corporations have constructed warehouses in the different States, yet the quantity has remained inadequate. FPOs/Cooperatives/SHGs as farmers' collectives can contribute to expand the capacity of storage and warehousing for agri-produce. These units can ensure enhanced and direct access to markets, aggregation of produce in bulk with quality to attract the market, promote an ecosystem to enhance bargaining for better price of products and could improve access to storage facilities.

Agri-Value Chain Infrastructure

The Government has rolled out a number of measures to ensure adequate growth of agri-value chain units to reduce pre-harvest and post-harvest losses, to increase employment opportunities and to raise income level of farmers and farm-entrepreneurs. However, the overall growth and development of agri-value chain units in the agri-food processing sector have not been impressive. The absence of appropriate agri-entrepreneurial culture due to inherent problems and issues in the credit flow to agri-business units in rural areas give rise to many economic and extra-economic problems. If people are socially mobilised and extend collective efforts, they will be able to participate actively in the economic process and will contribute positively to their own well-being and the welfare of their society.

SHG/Cooperative/FPO units are generating resources for operation of their economic units through inter-loaning and bank credit linkage activities. However, their occupational choices are often not commensurate with their ability to manage, operate and sustain their activities. There are mainly three central aspects of entrepreneurship as identified by classical economists: (a) uncertainty and risks, (b) managerial competence, and (c)

creative opportunism or innovation. Thus, the agri-value chain should attempt to bring all the stakeholders engaged in the production system viz. input suppliers, technology delivering agencies, scientists in developing appropriate technologies and extension officers who are involved in capacity building and providing various services to farmers on a common platform to ensure a fair deal and transparency. In this context, it is the community based financial intermediaries which are best suited to get involved in post-production occupational activities viz. organising collection, sorting, grading, storage, transportation, processing and marketing of the produce. Community financial institutions like SHGs, Cooperatives and FPOs besides delivering credit at the door-step can play the role of market information centres and become major stakeholders in the agri-value chain. These community level financial entities have required potential to ensure efficient linkages with various stakeholders of agri-value chain for improving production, price discovery and realisation and profitability.

Contract Farming and Marketing by Collectives

The collectives have the required strength to ensure collective participation through contract farming, land leasing arrangements and community marketing which can facilitate accelerated technology transfer, capital inflow and assured markets for agriculture produce. Since agri-markets are largely buyer-driven and vertically integrated, contract farming through community based farmer co-operatives would offer the best possible income stream to the farmers by reducing labour-related transaction costs, costs of other inputs, technology and innovation. In comparison to individual farmers, co-operatives/FPOs/SHGs can reap the benefits of lower input costs, stability and longevity of contract farming arrangements and can ensure a fair distribution of profits amongst the member farmers. Further, community producer organisations have the desired potential for balancing the complex dynamics between firms and farmers through collective bargaining, creation and maintenance of long-term relationships with input venders and logistic support providers and through timely mitigating risk and uncertainties faced by the farmers.

Conclusion

Indian farmers are yet to taste the actual benefits of increased productivity due to

disproportionate and non-transparent price discovery in our agricultural markets. One of the major challenges before the nation is how to make agriculture remunerative and an attractive business proposition by bringing in efficiency in the rural marketing system. Rural markets need to be integrated through rural collectives. These entities can be trained to understand e-NAM and can participate in resolving issues viz. harmonisation of grades and standards, network integration between post-production value chains with marketing chains – storages, logistics, asymmetry in information on market trends etc. Thus, the efficiency of rural community collectives depends largely on how effectively commodity-wise market development plans in consultation with the line departments of the District administration are devised and followed.

Development of a full-proof and sustainable agri-infrastructure ecosystem includes reliable, efficient, competitive and accessible market with adequate post-harvest infrastructure. Rural collectives can ensure better farmer-market linkages and can effectively handle marketable surplus, provide technology and facilitate innovation in marketing, create transparent and accountable marketing channels, bring in investment in creation of marketing facilities and generate awareness on importance of marketability and required marketing facilities in a rural setup.

Rural collectives have the desired potential for balancing the existing complicated dynamics between firms and farmers through collective bargaining, creation and maintenance of long-term relationships with input venders and logistic support providers and through timely mitigating risk and uncertainties faced by the farmers. The real challenge before us is how to sensitise these collectives on governance, organisational skills, team spirit of work, interpersonal communication, work allocation, payment/transaction, market systems, supply chain etc. so that the efficiency in rural market systems are maximised and rightful benefits of value addition and quality price discovery of agri-products are ensured for the participating players of rural markets.

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Rural Marketing Infrastructure

Aashish Argade

An efficient marketing system requires huge investments in physical and digital infrastructure that helps rural producers to connect and engage with urban markets, logistically and electronically. Besides roads and electricity, the government has also invested into post-harvest agricultural marketing infrastructure and markets. In case of non-agricultural or artisanal products, the Government has schemes that facilitates marketing support by encouraging participation in craft fairs and meals.

The phrase “rural marketing” connotes different things to different people and professionals. For instance, for certain entities and agencies, it could imply marketing products to consumers in rural areas. In other cases, it is about marketing rural products to urban consumers. The scope of this article is largely restricted to the second theme. Broadly, rural products can be categorised into two – agricultural and non-agricultural. Agricultural products include all kinds of farm produce, such as cereals, pulses, oilseeds, fibres such as cotton and jute, a variety of spices, horticultural produce such as fruits, vegetables and flowers, products of animal origin such as milk and dairy products, egg, wool, meat, fish and so on. Non-agricultural products of rural origin are a vast variety of handmade and artisanal products such as handmade textiles and garments, crafts, articles made of leather, wood, metals and alloys, and so on. Agricultural production is more regional, whereas artisanal products are relatively concentrated in smaller clusters. However, urban areas and exports constitute an important market for both kinds of products. Yet, there are impediments to achieve this potential.

Constraints Faced in Rural Marketing

Agricultural and horticultural produce is more often than not, perishable. Hence, it requires faster and efficient transport, storage, and even processing to retain freshness and other qualitative aspects. One of the major constraints in rural marketing is physical access. While rural producers find it difficult to take their products to markets, they are



also challenged in accessing different inputs such as tools, machines, spare parts, services, chemicals and so on, which are produced in industrial clusters but need to be used at the place of production. For any rural produce to reach the consumer markets, or for consumers and channel members to reach rural markets, year-round connectivity and transport is essential. Horticultural produce is perishable and has to reach markets or processing centres soon after harvest. Artisanal products can be delicate or brittle. Poor means of transport mean loss of quality and quantity in transit. Usually, middlemen are involved in such operations, and they tend to pass on these costs to customers or offer a lower price to farmers. On the other hand, availability of electricity forms a foundation for carrying out a wide range of economic activities in rural areas including farming, small-scale manufacturing, cottage industries, food processing, and a host of services. Lack of reliable and efficient power supply affects production, especially scaling up operations or improving productivity.

Often, rural producers do not have information about changing customer preferences, as also skills

of marketing. Communication is a critical aspect of marketing. Information about products, prices, consumer preferences, market environment, competitors, alternative and substitute products is essential for any marketing plan. Further, it helps when producers or marketers have access to such marketing information at regular and fast intervals, if not on a real-time basis. Whereas the traditional forms of communication such as print media, television and radio have been existent for decades, Internet is a much more efficient and fast medium of connectivity. Access to Internet through broadband is thus, another constraint that rural producers and marketers face.

The other problem in rural marketing arises due to small quantities available for sale. More than 80 percent of India's farmers are small and marginal, with little individual, but collectively sizeable surplus for the market. The work of artisans is time-consuming and they are usually able to produce only a limited number of items at a given time. These factors adversely impact bargaining power of rural producers, even as their cost of transaction increases.

Overcoming these challenges forms the crux of the rural marketing system. An efficient marketing system requires huge investments in physical and digital infrastructure that helps rural producers to connect and engage with urban markets, logistically and electronically. It also requires investments in imparting marketing skills to individuals, such as understanding consumer requirements, demand and supply trends, and pricing dynamics. Finally, since most farmers in India are small, and artisanal work is at individual or family level, organising them into groups for generating economies of scale is important. While several agencies such as governments, private corporate entities, civil society organizations and others are playing a role, the Government of India has taken the lead in all these spheres. In the subsequent paragraphs, we elucidate some of the prominent areas where the Government is investing huge amounts through various schemes, which has the potential to give a strong fillip to rural marketing.

General Physical Infrastructure

Physical or hard infrastructure such as roads, bridges, railways, electricity and fuel are important to enable transport, storage and physical

access between producers and consumers. Often, government investment is important in such infrastructure owing to their public goods nature.

The Pradhan Mantri Gram Sadak Yojana (PMGSY) is an important programme of the Government of India, implemented with contribution from State governments, with the objective of providing rural connectivity through roads. The scheme envisaged providing all-weather roads to unconnected habitations with population up to 500 in the plains and 250 and above in special category states and desert areas; upgradation of selected Through Routes and Major Rural Links; and then connecting habitations to Gramin Agricultural Markets (GrAMs), higher secondary schools and hospitals.

PMGSY has been implemented as PMGSY – I, II and III by the Ministry of Rural Development. The total road length sanctioned under the scheme from 2000-01 to 2021-22 has been nearly 6.44 lakh km, covering over 1.57 lakh habitations¹. PMGSY-III deserves a special mention since it aims to provide all-weather road connectivity to the Gramin Agricultural Markets (GrAMs), higher secondary schools and hospitals. Roads to GrAMs are expected to facilitate improved transportation of agricultural produce from villages to urban centres, and enable better reach of inputs to rural areas². PMGSY-III, which was initiated in 2019, has a target of constructing roads of 1.25 lakh km. The Union Budget of 2021-22 has allocated an amount of Rs.15,000 crore for PMGSY.

Investment in rural electrification is currently underway through two schemes – the Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY), and Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya), both under the Ministry of Power.

Under DDUGJY, agricultural and non-agricultural feeders are separated in rural areas, followed by strengthening and enhancing transmission and distribution, besides subsuming rural electrification targets of the erstwhile Rajiv Gandhi Grameen Vidyutikaran Yojana (RGVY). Separation of feeders enables regulating supply to the farm sector such that agricultural users are able to meet their demand, especially at peak hours, while households get continuous power supply without facing any issue during peak demand hours of agriculture. An amount of Rs. 3600 crore was allocated to DDUGJY in the

Union Budget of 2021-22. The Saubhgya scheme has been especially successful since nearly 100 percent of rural households have been provided with electric connection.

Physical Marketing Infrastructure

Besides roads and electricity, the government has also invested into post-harvest agricultural marketing infrastructure and markets. In 2013, the Integrated Scheme for Agricultural Marketing was launched by the Government of India, by continuing and integrating various Central schemes. The older schemes of Grameen Bhandaran Yojana and Development/Strengthening of Agricultural Marketing Infrastructure, Grading and Standardisation were merged to create sub-scheme for Agricultural Marketing Infrastructure (AMI). AMI sub-scheme is envisaged as a subsidy of 33.33 percent of capital investments in warehousing, cold storage, primary processing, refrigerated vans, quality testing, grading, sorting packaging and so on³, subject to a ceiling on the subsidy amount. The new operational guidelines for the sub-scheme 2018-20 focused on developing marketing infrastructure to properly handle and manage various kinds of farm and forest produce, provide innovative technologies for post-harvest infrastructure, develop alternative and competitive marketing channels for agricultural produce, promotion of small-sized processing units that could be run by individual farmers or collectives such as FPOs, create scientific storage facilities, develop Gramin Haats for direct linkage between consumers and farmers as well as e-NAM, ensuing better value realisation to farmers through e-NWRS, futures trading, pledge financing and so on.⁴ It may be noted that the scope of the scheme has been extended to allied sectors such as livestock, poultry, and forest produce. There has also been a marked reference to Farmer Producer Organisations (FPOs), as also to advanced marketing activities such as futures trading and negotiable warehouse electronic receipt financing.

With an objective to support agricultural marketing in rural areas, the Government of India introduced the Gramin Agricultural Markets (GrAMs) scheme to develop retail markets near the rural periodic markets or haats, which would also serve the purpose of aggregation and turn

into feeder markets for APMCs. The rural periodic markets are estimated to number around 22,000 in the country, and they serve an important role in the marketing of produce by small farmers⁵.

The Committee for Doubling Farmers' Income suggested a "New Market Architecture", in which the GrAMs would be developed as hubs for aggregation, logistics, pre-conditioning, transport and local retail, and are eventually connected to the e-National Agricultural Market (eNAM), or to primary or secondary wholesale markets, or export markets. The pictorial representation of the "New Market Architecture" is shown below:

The Unnual Budget of 2018-19, allocated Rs.2000 crore for upgrading marketing infrastructure of GrAMs and Agricultural Produce Marketing Committees (APMCs). All the above activities enable in adding value to agricultural produce at the farm level, which helps in marketing and ensures better returns to farmers. Aggregating, centralised processing, packaging, and branding at common facilitation centres of FPOs bring about efficiencies due to larger scale, which lowers costs and promotes marketing.

In case of non-agricultural or artisanal products, the Government has schemes that facilitates marketing support by encouraging participation in craft fairs and meals. The Central Government, through Ministry of Textiles offers financial assistance to organisations such as Central or State Handicrafts Corporations, and other agencies under government, to organise a craft bazaar in metro cities, capital cities of states, and places of tourist and commercial interest. Assistance is provided in organising Gandhi Shilp Bazaar (GSB) or Crafts Bazaars, Exhibitions, National Handicrafts Fair, or participating in events organized by other organizations. Similar assistance is also provided for marketing in overseas markets, international events and for exports⁶.

Digital Infrastructure

Realising the importance of digital infrastructure, the Government of India launched the National Optic Fibre Network in 2011, which was renamed as Bharatnet project in 2015. This initiative ranks as the world's largest rural broadband connectivity project, which is being implemented by Bharat Broadband Network Ltd. Through this,

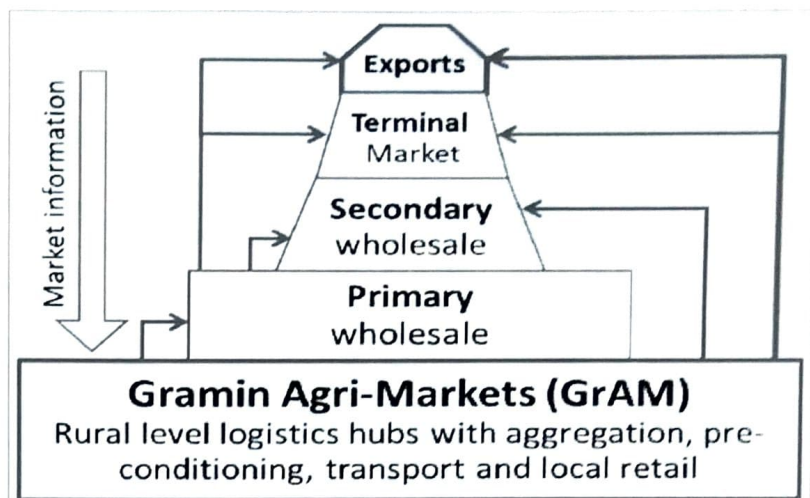
the government aims to provide high-speed broadband connectivity to nearly 2.5 lakh Gram Panchayats. In the first phase of Bharatnet, nearly 1.2 lakh Gram Panchayats were provided connectivity by Dec 2017. The second phase is currently in progress. The Union Budget of 2021-22, allocated Rs. 6806 crore to Digital India programme, out of which Rs. 300 crore is allocated to Pradhan Mantri Gramin Digital Saksharta Abhiyan⁷. As of June 2021, 5.25 lakh km of fibre optic cables have been laid, connecting nearly 1.73 lakh Gram Panchayats (GPs), of which, 1.60 lakh GPs are service ready⁸. Each GP is expected to have five connections.

Several corporate and private sector organisations, cooperatives and civil society organisations are utilising the online medium to connect rural artisans with customers across the globe. This has been possible to a great extent due to Internet connectivity. GPs connected by broadband can enable e-banking, e-healthcare, e-commerce, and e-education. Such infrastructure creates an enabling ground for internet service providers, cable TV operators and content providers. Thus, the government has converted digital infrastructure as a public good, which again crowds in private investment, leading to a potential virtuous economic cycle in rural areas.

Skills and Organisations

Although not strictly a part of marketing infrastructure, development of marketing skills in people and helping build organisations is critical for the success of rural marketing. Marketing is a sophisticated function, and involves aspects such as understanding consumer preferences, tastes and changes thereof. A good marketer is also expected to define and understand the competitive scenario, take decisions about product development, packaging, branding, positioning, consumer segmentation and targeting, pricing, distribution, to name a few. Principles of marketing could be applied to something as simple and common as food grains, to something highly artistic as handicrafts, handwoven textiles and paintings.

The Government of India has taken decisive steps in encouraging skill development among



Source: Committee on Doubling Farmers' Income (2017). Report of the Committee on Doubling Farmers' Income, Volume IV. Post Production Interventions – Agricultural Marketing.

youth. The Pradhan Mantri Kaushal Vikas Yojana (PMKVY) is a landmark scheme that aims at:

- Development of skills
- Promotion of apprenticeship
- Development of entrepreneurship
- Apprenticeship and training
- Skill acquisition and knowledge awareness for livelihood promotion
- Skill strengthening for industrial value enhancements

PMKVY was allocated Rs. 2785 crore in the Union Budget of 2021-22⁹. PMKVY trains youth in short term programmes and special projects, besides recognising prior learning through assessment and certification.

In addition to skilled individuals, marketing also requires organisational support. Such support can be in the form of pooling the output of rural producers, which provides economies of scale, and also in the form of enabling market access, access to material inputs, training and so on. On this front, for agricultural producers, the impetus given by the Government on developing Farmer Producer Organisations (FPOs) or Farmer Producer Companies (FPCs) is a step in the right direction. FPOs enable collective farming, or aggregating produce, as a result of which farmers gain bargaining power, reduce costs, and can take up value chain activities such as processing, branding, and retailing.

The Union Budget of 2019-20 announced a Central scheme of "Formation and Promotion

of Farmer Producer Organisations”, with a target of forming 10,000 FPOs in the country, between 2019-20 and 2023-24. A provision of Rs. 4496 crore was made toward this task. As of March 2020, nearly 6,000 FPOs were formed in the country¹⁰. These FPOs were promoted by the Government, NABARD, State Governments, and Civil Society Organisations. Similarly, for handicrafts, the Ministry of Textiles has the Dastkar Sashaktikaran Yojana that focuses on developing self-help groups (SHGs), artisan groups or cooperatives in clusters where artisans are located. The Union Budget of 2021-22 allocated Rs. 495.32 crore and Rs. 357.50 crore to National Handloom Development Programme and National Handicraft Programme was respectively¹¹. It is envisaged that cluster development and group formation will enable artisans to grow as entrepreneurs, bring efficiency in their operations, and improve competitiveness, besides giving them a platform to connect to markets directly.

Roadblocks and Way Forward

The above information shows how public investment is going into developing rural marketing infrastructure, right from laying roads and providing electricity, to creating marketplaces. This itself makes a huge difference as it provides the most vital element of marketing, which is accessibility. Yet, it is seen that certain schemes struggle to find takers. For instance, the GrAMs scheme had earmarked Rs. 2000 crore, however, the implementation has been very poor if one were to look at but no state government came forward. The author’s own short research in rural haats, shows that there is tremendous diversity among haats across the country. In some places, it is a weekly market, and in other places it is a daily market. In some states, there is a designated place for the market to assemble, in others, the place keeps varying. There is little clarity on property rights and the ownership of land on which the market assembles is also not clear. Further, the periodic markets are governed by different entities in different places, from panchayats, to municipal corporations, to certain State government ministries. They are often, in one way, unorganised markets. Hence the challenge is to formulate law and rules before developing the GrAMs in terms of infrastructure.

However, one needs to understand that the term marketing is much broader when taken in its managerial sense, and that is where

marketing acumen becomes equally important. For example, when handicrafts or handlooms are being “marketed”, they need to speak a language that addresses consumers’ interests. Hence, a handmade garment has to adopt the language of fashion, convenience or lifestyle, while a handicraft often might have to talk about aesthetics, high taste and celebration than utility. This requires a totally different set of skills, which professionals can bring in. To expect farmers and artisans to develop these skills and capabilities is herculean, especially when they have to pay great attention to production, and also handle production risks. One of the few extremely successful models of farmer linkage to markets is the Gujarat Cooperative Milk Marketing Federation (GCMMF), where farmers largely take care of milk production, which is their strength, while marketing is left to professionals, even as the organisation controlling marketing is headed by farmers at the board level.

Conclusion

The term rural marketing has been used differently by different organisations. In this article, the focus of rural marketing is on marketing of products produced in rural areas in urban and other markets. Rural producers have faced major constraints in accessing, understanding and engaging with urban markets which have diverse consumer groups. Further, rural producers are small landholders and artisans who face the problems of low bargaining power and lack of economies of scale. While the issue of physical access is being addressed by Government schemes on roads and electricity, investments in digital infrastructure have the potential to bring consumers and producers in direct contact in a virtual mode. Farmer and artisan groups such as SHGs, FPOs and cluster development enable aggregation, addressing problems of scale and volume. However, understanding consumers, and their changing tastes and preferences is a dynamic proposition. This requires a professional approach. The Government of India runs an admirable programme on skill development, and it might help to include more courses, internships and apprenticeships in the marketing domain specifically to bridge the gap of professional marketing manpower.

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Rural Marketing: Concepts and Opportunities

B. Purkayastha

The Government of India has been trying to reform the agriculture marketing system so as to facilitate farmers in selling their produce at a better price. All these policies and programmes are being supported by higher budgetary allocations, non-budgetary financial resources by way of creating corpus funds, market reforms, Agri-Export Policy, promotion of FPOs and creation of agricultural marketing infrastructure. In order to promote agriculture marketing infrastructure and Integrated Value Chains, 9753 marketing infrastructure projects have been created and more are on the anvil.



India's rural market is increasingly becoming the economic powerhouse of the country. The hinterlands account for about 50 percent of India's gross domestic product (GDP) and are home to nearly 70 percent of the country's population. Agriculture, and thereby agricultural marketing and allied commercial activities, continues to be the mainstay of life for majority of the Indian population. However, vagaries of nature, demand-supply mismatches, infrastructure bottlenecks such as transport constraints, limited storage capacity, inability to access lucrative markets and get remunerative prices, force the farming community, especially small and marginal farmers, to turn to unscrupulous moneylenders and middlemen who pocket a large share of the former's earnings, ostensibly for the help they render in

getting a fair market price. It is in this context that the Government of India has been trying to reform the agriculture marketing system so as to facilitate farmers in selling their produce at a better price. These reforms are likely to give a sizeable boost to farm incomes and agriculture production in the long run.

Let us look at some of the recent initiatives comprising developmental programmes, schemes, reforms and policies taken by the government to strengthen the rural marketing ecosystem, especially in agriculture production, with the ultimate objective of doubling farmers' income. All these policies and programmes are being supported by higher budgetary allocations, non-budgetary financial resources by way of creating corpus funds like Micro Irrigation Fund and Agri-marketing Fund to strengthen

National Agriculture Market (eNAM) and Gramin Agriculture Markets (GrAMs), market reforms like Model APLMC (Promotion & Facilitation) Act, 2017, establishment of 22,000 GrAMs, Agri-Export Policy, The Farmers Produce Trade and Commerce (Promotion and Facilitation) Act., 2020, The Farmers (Empowerment & Protection) Agreement on Price Assurance and Farm Services Act., 2020, Amendments to Essential Commodities Act, 1955, promotion of 10,000 FPOs and supplementary income transfers under PM-KISAN, Pradhan Mantri Fasal Bima Yojna (PMFBY), Pradhan Mantri Krishi Sinchai Yojna (PMKSY), increase in Minimum Support Price (MSPs) for all Kharif and Rabi Crops, Har Med Par Ped, Bee-Keeping, Rashtriya Gokul Mission, Blue Revolution, Interest Subvention Scheme, Kisan Credit Card (KCC), etc.

The recent intervention includes the 'AatmaNirbhar Bharat – Agriculture' which includes comprehensive market reforms and creation of 'Agricultural Infrastructure Fund (AIF)' worth Rs. 1 lakh crore. In the Union Budget 2021-22, allocation to Micro Irrigation Fund has been doubled to Rs 10,000 crore and institutional credit has been increased to Rs 16.50 lakh crore.

The objectives of Integrated Scheme for Agricultural Marketing (ISAM) are as under:

- To promote creation of agricultural marketing infrastructure by providing backend subsidy support to state, cooperative and private sector investments.
- To promote creation of scientific storage capacity and to promote pledge financing to increase farmers' income.
- To promote Integrated Value Chains (confined up to the stage of primary processing only) to provide vertical integration of farmers with primary processors.
- To use ICT as a vehicle of extension to sensitise and orient farmers to respond to new challenges in agricultural marketing.
- To establish a nation-wide information network system for speedy collection and dissemination of market information and data on arrivals and prices for its efficient and timely utilisation by farmers and other stake holders.

- To support framing of grade standards and quality certification of agricultural commodities to help farmers get better and remunerative prices for their graded produce.
- To catalyse private investment in setting up of agribusiness projects and thereby provide assured market to producers and strengthen backward linkages of agri-business projects with producers and their groups.
- To undertake and promote training, research, education, extension and consultancy in the agri marketing sector.
- To establish a National Unified Agricultural Market through e-NAM.

In order to promote agriculture marketing infrastructure and Integrated Value Chains, 9753 marketing infrastructure projects have been created and more are on the anvil. As much as 345.52 lakh MT storage capacity has been created under the scheme against the targeted capacity of 230 lakh MT. The government is also implementing Marketing Research and Information Network (MRIN) sub scheme of ISAM. The scheme has coverage of 3356 markets spread all over the country having coverage of more than 300 commodities. Mandi price and arrival data is being captured through the AGMARKNET portal and disseminated through various modes such as DD Kisan and Kisan call centre on daily basis to farmers.

The government is implementing Strengthening of Agmark Grading Facilities (SAGF), sub scheme of ISAM, to support framing of grade standards and quality certification of agricultural commodities to help farmers get better and remunerative prices for their graded produce. So far, a total of 226 agricultural commodities grade standards have been framed and notified which include fruits, vegetables, cereals, pulses, oilseeds, vegetable oils, ghee, spices including turmeric, honey, creamery butter, wheat, atta, besan, etc. Again, the Venture Capital Assistance Scheme (VCA) is being implemented through Small Farmers Agri-business Consortium (SFAC), with 2002 agribusiness projects having been assisted during the period from 01.04.2014 to 28.02.2020. The CCS National Institute of Agricultural Marketing (NIAM) has completed 55

survey and research projects. Further, 880 training and seminar programmes and 96 consultation projects have also been completed by NIAM. In order to promote a National Agriculture Market by integrating the physical regulated wholesale markets through a virtual platform for providing transparent quality based price discovery system, e-trading platform National Agriculture Market (e-NAM) platform has been launched which helps in shortening the intermediation for agricultural and horticultural produce through inter-mandi and inter-state trade.

Looking beyond APMC Mandis

In order to provide better marketing facilities to the farmers, the government had released a new model “The Agricultural Produce and Livestock Marketing (Promotion and Facilitation) Act, 2017” popularly known as Model APLM Act, 2017, in April 2017 for its adoption by States/ Union Territories (UTs). The Model APLM Act, 2017 promotes alternative marketing channels of private markets, direct marketing, etc., for farmers to market their produce at competitive and remunerative prices. The government has been modernising the mandis and strengthening the agricultural market infrastructure in the country, particularly in rural areas through various schemes like Rashtriya Krishi Vikas Yojna-Remunerative Approaches for Agriculture and Allied Sector Rejuvenation (RKVY-RAFTAAR), Agriculture Market Infrastructure (AMI) and National Agriculture Market (e-NAM), as well as Mission for Integrated Development of Horticulture and Pradhan Mantri Kisan SAMPADA Yojana (Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters) which aim at promoting modern infrastructure including that of post-harvest and marketing infrastructure for agriculture marketing in the country including that in rural areas and rural haats.

In order to optimise the use of scarce resources and mitigate the uncertainty in price and marketing, the Government formulated and released a progressive and facilitative Model Act “The----State/ UT Agricultural Produce & Livestock Contract Farming and Services (Promotion & Facilitation) Act, 2018” in May, 2018 for its adoption by the states/Union Territories (UTs).

The aforesaid Model Contract Farming Act covers the entire value and supply chain from pre-production to post harvest marketing including services contract for the agricultural produce and livestock.

Production by farmers happens based on local agro-climatic and soil conditions, whereas the markets for the same are spread at different places in the country based on its demand and consumption patterns. This requires agriculture produce to move from production markets/ centres to consumption markets/centers, cutting across geographical regions and state boundaries. Thus, “One India, One Agriculture Market” is vital for enhancing price realization by farmers so as to increase their income. With this intention, the Narendra Modi led government has enacted “The Farmers’ Produce Trade and Commerce (Promotion and Facilitation) Act, 2020”, “The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020”, and the “The Essential Commodities (Amendment) Act, 2020” to provide for the creation of an ecosystem where the producers and buyers enjoy the freedom of choice relating to sale and purchase of farmers’ produce which facilitates remunerative prices to farmers through competitive alternative trading channels promoting efficient transparent and barrier-free inter-state and intra-state trade and commerce of farmers’ produce outside the physical premises of regulated market yards/ sub-yards and deemed markets notified under various State Agricultural Produce Market legislations. These Acts will further motivate APMCs to be more effective, competitive and efficient in providing cost effective services to farmers for efficient marketing of their produce towards improving their income. The farmers are given the freedom to choose any of the channels including APMC market yard for selling of their produce. These farm Acts facilitate direct buying from farmers in trade area by traders, processors, exporters, Farmer Producer Organisations (FPOs), agriculture co-operative societies, etc., so as to facilitate farmers with better price realisation to enhance their income.

National Agriculture Market (e-NAM) Scheme

The National Agriculture Market (e-NAM) Scheme was launched on 14th April, 2016 with

the objective of creating online transparent competitive bidding system to facilitate farmers with remunerative prices for their produce. National Agriculture Market (e-NAM) is a virtual platform integrating physical wholesale mandis/ markets of different States/ Union Territories (UTs) to facilitate online trading of agricultural commodities through transparent price discovery method to enable farmers to realize better remunerative prices for their produce. It also promotes prices commensurate with quality of produce. Three reforms are mandatory for States/ Union Territories (UTs) in their respective State Agricultural Produce Market Committee (APMC) Acts for integrating their mandis with e-NAM platform i.e. (i) Provision for e-trading, (ii) Single point levy of market fee, (iii) Unified Single trading license for the State.

Various facilities are provided to the farmers in selling agricultural produce in e-NAM mandis in the country, some of which are as follows:

- Farmers are free to register without any cost on e-NAM platform.
- Integration with AGMARKNET platform: Farmer can access the prevailing commodity prices & arrival information of e-NAM mandi as well as non e-NAM mandi on e-NAM mobile app prior to even going to the mandi.
- The infrastructure created for e-NAM is used to provide free of cost quality assaying facilities to farmers for trading of their agriculture produce for facilitating quality based price discovery.
- e-NAM mobile app facilitates direct online payment by buyers to the bank account of the farmers in a transparent, speedy and safe manner. e-NAM transactions can be settled through different available modes of payment outside e-NAM such as through cash payment, cheque payment, Real Time Gross Settlement (RTGS)/ National Electronic Funds Transfer (NEFT), Debit Card, Internet Banking, etc., in addition to that through e-payment facility available through e-NAM.
- Under the scheme, various training and awareness programmes are conducted free of cost for farmers for successful implementation

of e-NAM. FPO trading module has been launched whereby FPOs can trade their produce from their collection center/ premise without bringing the produce to APMC. Warehouse based trading module is provided in e-NAM to facilitate trade from warehouses based on e-NAM.

- Further the e-NAM platform is made inter operable with Rashtriya e Market Services Private Limited (ReMS) platform of government of Karnataka thereby increasing their market access.
- GPS based e-NAM Mandi Locator: Farmers/ Sellers can locate their nearby e-NAM mandi using GPS based mandi locator feature through e-NAM mobile app.
- e-NAM portal is available in English and 11 Indian languages (Hindi, Bengali, Marathi, Gujarati, Tamil, Telugu, Punjabi, Odiya, Dogri, Malayalam and Kannada) to facilitate farmers to use e-NAM in the language of their choice.

As on 13th July, 2021, more than 1.70 crore farmers and 1.71 lakh traders have been registered on e-NAM platform. As of March 31, 2018, there were 6946 regulated wholesale mandis (APMC markets) in the country. So far, based on earlier targets and as per the proposals received from States/ Union Territories (UTs), 1000 mandis of 18 States and 3 UTs have been integrated with e-NAM platform. The agricultural produce trade with a value of Rs 1.39 lakh crore has so far been recorded on e-NAM platform, with tradable parameters in respect of 175 commodities prepared for trading on e-NAM platform. The government has announced in Budget 2021-22, further integration of 1000 mandis on e-NAM platform.

As per the evaluation Report of CCS National Institute of Agricultural Marketing (NIAM) on "performance evaluation of e-NAM", the platform helps in creating a unified market through online trading both at state and national levels. This e-NAM concept further ensures various benefits like streamlining of procedures across the integrated markets, promotes real time price discovery based on actual demand and supply, removes information asymmetry between buyers and sellers, promotes transparency in auction

Table 1: State-wise details of mandis integrated with e-NAM

States/UTs	No. of mandis integrated with e-NAM platform
Andhra Pradesh	33
Chhattisgarh	14
Gujarat	122
Haryana	81
Himachal Pradesh	19
Jharkhand	19
Karnataka	2
Kerala	6
Madhya Pradesh	80
Maharashtra	118
Odisha	41
Punjab	37
Rajasthan	144
Tamil Nadu	63
Telangana	57
Uttar Pradesh	125
Uttarakhand	16
West Bengal	18
Chandigarh	1
J&K	2
Puducherry	2
Total	1000

(Source: <http://164.100.24.220/loksabhaquestions/annex/175/AS20.pdf>)

process, promotes access to a nation-wide market for the farmer along with prices commensurate with quality of produce and online payment of sales proceeds.

Kisan Rath Mobile App

Transportation of agricultural produce is a critical and indispensable component of supply chain. During the COVID-19 lockdown situation in 2020, Ministry of Agriculture and Farmers' Welfare launched "KISAN RATH", a farmer friendly mobile application, to facilitate farmers in finding suitable transport vehicles for transportation of their agriculture and horticulture produce. A total of 4,85,103 farmers are registered on the Kisan Rath mobile application. A farmer linked to Kisan Rath may benefit through various options available on

Table 2: State-wise status of registration of farmers on Kisan Rath

States/UTs	No. of farmers registered on Kisan Rath
1 Andaman and Nicobar Island	21
2 Andhra Pradesh	18728
3 Arunachal Pradesh	224
4 Assam	19060
5 Bihar	36811
6 Chandigarh	42
7 Chhattisgarh	8066
8 Dadra and Nagar Haveli and Daman and Diu	45
9 Delhi	438
10 Goa	69
11 Gujarat	16443
12 Haryana	27565
13 Himachal Pradesh	2655
14 Jammu and Kashmir	2156
15 Jharkhand	13451
16 Karnataka	17200
17 Kerala	2420
18 Ladakh	20
19 Lakshadweep	8
20 Madhya Pradesh	37387
21 Maharashtra	50401
22 Manipur	1369
23 Meghalaya	284
24 Mizoram	778
25 Nagaland	1054
26 Odisha	8082
27 Puducherry	64
28 Punjab	14769
29 Rajasthan	43888
30 Sikkim	219
31 Tamil Nadu	15047
32 Telangana	12456
33 Tripura	295
34 Uttarakhand	2701
35 Uttar Pradesh	114112
36 West Bengal	16775
Total	485103

(Source: <http://164.100.24.220/loksabhaquestions/annex/176/AU333.pdf>)

(contd. on pg. 28)

Highlights from the speech of Prime Minister Narendra Modi address on Independence Day

1. Today, on the pious festival of the Amrit Mahotsav of freedom, the country is bowing to all its freedom fighters and brave heroes who continue to sacrifice themselves day and night in the defense of the nation. The country is remembering every personality, including the revered Bapu, who made freedom a mass movement, Netaji Subhash Chandra Bose, who sacrificed everything for the freedom, or great revolutionaries like Bhagat Singh, Chandrasekhar Azad, Bismil and Ashfaqulla Khan; Rani of Jhansi Lakshmibai, Queen Chennamma of Kittur or Rani Gaidinliu or the valour of Matangini Hazra; the country's first Prime Minister Pandit Nehru ji, Sardar Vallabhbhai Patel, who integrated the country into a united nation, and Baba Saheb Ambedkar, who determined and paved the way for the future direction of India. The country is indebted to all these great personalities.

2. Along with modern infrastructure, there is a great need for adopting a holistic and integrated approach in infrastructure construction. In the near future, we are going to launch the National Master Plan of Prime Minister 'Gati Shakti' which will be a huge scheme and fulfil the dreams of crores of countrymen. This scheme of more than 100 lakh crores rupees will result in

75
Azadi Ka
Amrit Mahotsav

“
Chhota
Kisan
bane desh
ki shaan!

PM Narendra Modi
at 75th Independence Day Celebrations



- Increasing the collective power of small farmers through Direct Benefit Transfer & Krishi Rail
- 10 crore farmer families received over ₹1.5 lakh crore directly in their bank accounts
- Drone facility helping rural citizens to map their land & enabling them to avail schemes & loans

new employment opportunities for lakhs of youth.

3. It is a moment of pride for us that because of our scientists, we were able to develop two Make in India COVID Vaccines and carry out the world's Largest Vaccine Drive.
4. India's young generation has made our country proud at the Tokyo Olympics. All such athletes are amongst us today. They have not only won our hearts but also inspired our young generation.
5. Our goal is to develop a nation where we not only have world-class infrastructure but also move ahead with the mantra of 'Minimum government, maximum governance'.

6. Amrit Kaal is of 25 years. But we don't have to wait for long to achieve our goals. We have to start now. We don't have a moment to lose. This is the right time. Our country also has to change and we as citizens have to change ourselves too. We also have to adapt ourselves to the changing era. We have started with the spirit of 'Sabka Saath, Sabka Vikas, Sabka Vishwas'. Today, I am requesting from the ramparts of the Red Fort that 'Sabka Saath, Sabka Vikas, Sabka Vishwas' and now Sakka Prayas are very important for the achievement of our goals.
7. In this Bharat ki Vikas Yatra, we have to ensure that we meet our goal of building an AatmaNirbhar Bharat when we celebrate 100 years of India's Independence.
8. We have to move ahead with a mindset of cent percent achievement. Till now, no thought was given for our street vendors, who sell their goods on tracks, footpaths and carts. All these colleagues are now being linked to the banking system through the SVANidhi scheme.
9. We have to move forward with the goal of ensuring that every citizen is connected with government's transformative schemes. In the last few years, our government has provided roads and electricity to the villages. Now, these villages have been strengthened with optical fibre network data and the Internet.
10. We have to focus on helping our small farmers. We have to give maximum benefits of the government's schemes to them; be it through DBT or Krishi Rail.
11. The government is now focusing on welfare of small farmers. 10 Crore farmer families have directly received over ₹1.5 lakh crore in their bank accounts.
12. SVAMITVA Yojna is transforming the lives in rural India. Drone is helping our rural citizens to map their land and apply for various schemes/loans online.
13. In a move towards strengthening Beti Bachao, Beti Padhao initiative, our daughters will now be able to study in Sainik schools too. Today, be it education or Olympics our daughters are performing tremendously. We have to ensure that they get equal opportunities and they feel safe and respected.

75
Azadi Ka
Amrit Mahotsav

my
Gov
मेरी सरकार

“
Every
citizen to be
connected with
government's
transformative
schemes

PM Narendra Modi
at 75th Independence Day Celebrations



- 100% citizens to be connected with schemes like Ayushman Bharat, Ujjwala Yojana, Pension Yojana, Awas Yojana, etc.
- Mission Poshan one of the key focuses; Rice available through every scheme to be fortified by 2024
- Over 75,000 Health & Wellness Centres built; Also building network of hospitals at block level



the app such as posting load, receiving response against these loads, viewing partial loads nearby, viewing service providers nearby.

Farmer Producer Organisations: Power of Collective Marketing

The government has approved and launched the Central Sector Scheme of formation and promotion of 10,000 Farmer Producer Organisations (FPOs) by 2027-28 with a total budgetary outlay of Rs. 6865 crore. Under the scheme, the formation and promotion of FPO is based on Produce Cluster Area approach and specialised commodity based approach. While adopting cluster based approach, formation of FPOs will be focused on "One District One Product" for development of product specialisation. So far, 4465 new FPOs produce clusters have been allocated to implementing agencies for formation of FPOs, of which 632 FPOs have been registered. The evaluation report of Price waterhouse Coopers (PwC) on FPO component titled "Impact Study 7-Enhanced realisation of agriculture produce marketed through PCs/FCSCs under Maharashtra Agricultural Competitiveness Project (MACP)" has highlighted the following benefits: (i) sale through Farmer Producers Companies (FPCs) has resulted in increased price realisation by members by 22 percent, (ii) Incidence of cost of marketing is 31 percent lower than other channels (iii) 28 percent of members have purchased inputs from PCs and

it has resulted into net savings of Rs.1384 per acre.

Transformation of Rural Haats to Formidable Gramin Agricultural Markets

In the Union Budget 2018-19, the government announced the decision to develop and upgrade 22,000 rural haats into GrAMs. The government has approved Agri-Market Infrastructure Fund (AMIF) of Rs 2,000 crore with National Bank for

Agriculture and Rural Development (NABARD) for availing of assistance by States/Union Territories for development of marketing infrastructure in 10,000 GrAMs and 585 APMC markets. So far, development of physical infrastructure has been undertaken in 1154 Gramin Haats in the country under MGNREGA programme. Altogether, work at 744 Gramin Haats have been undertaken under MGNREGA till February 4, 2020.

Agricultural Marketing Infrastructure: Augmenting Storage Capacity

For creation of agricultural marketing infrastructure including scientific storage infrastructure, the Ministry of Agriculture and Farmers Welfare is implementing sub-scheme "Agricultural Marketing Infrastructure (AMI)" of Integrated Scheme for Agricultural Marketing (ISAM) across the country. Since inception of the scheme, a total of 39,928 storage infrastructure projects (Godowns) have been assisted in the country. In addition to AMI scheme, the government is providing financial support under Agriculture Infrastructure Fund (AIF) in terms of interest subvention and credit guarantee for projects for post-harvest management and building community farming assets such as warehouse, cold-storage, silos, e-marketing etc. The government is also promoting storage facilities under scheme of Rashtriya Krishi Vikas Yojana - Remunerative Approaches for Agriculture and Allied Sector Rejuvenation (RKVY-RAFTAAR). It had also been building more storage facilities for

procurement purpose and for agriculture industry through agencies such as Food Corporation of India (FCI) and Central Warehouse Corporation (CWC).

Support for Marketing of Allied Products

Rural produce is not only about crop production; it also includes forest produce, handicrafts and handlooms made in tribal areas, far-flung areas in the North-East, which require access to markets to ensure adequate remuneration to the workforce involved in these activities. In order to promote organic products, a dedicated web portal (www.Jaivikkheti.in) has been created to encourage organic farming by directly connecting the farmers in the country to the consumers to get a better price for their products. This portal has been developed as both an information platform and a marketing platform. Altogether, 2.12 lakh farmers have been registered under Jaivikkheti portal.

The government is also providing marketing facilities to farmers under the schemes of Paramparagat Krishi Vikas Yojana (PKVY) and Mission Organic Value Chain Development for North Eastern Region (MOVCDNER).

The Ministry of Tribal Affairs provides funds to TRIFED for marketing of tribal products by empaneling tribal suppliers comprising individual tribal artisans, tribal SHGs, organisations/agencies/NGOs working with tribals, etc., under the scheme 'Institutional Support for Marketing and Development of Tribal Products/Produce'. TRIFED is also engaged in direct sale of tribal products, including art & craft items through its network of Tribes India showrooms, exhibitions, Aadi Mahotsav. Further marketing is done through

online e-commerce portal developed by TRIFED and also online retailers. The Ministry of Tribal Affairs is implementing schemes 'Mechanism for Marketing of Minor Forest Produce (MFP) through Minimum Support Price (MSP) and Development of Value Chain for MFP', 'Institutional Support for Development and Marketing of Tribal Produce' and 'Equity Support to National Scheduled Tribe Finance Development Corporation (NSTFDC) / State Tribal Finance Development Corporation (STFDC)', wherein funds are provided to support livelihood improvement of STs involved in NTFP collection. The scheme is aimed at elimination of middleman through providing MSP to MFPS.

To enable wider market for handloom weavers, steps have been taken to onboard weavers on Government e-Market place (GeM) to enable them to sell their products directly to various government departments and organisations. So far about 1.50 lakh weavers have been onboarded on the GeM. To promote marketing of handloom products, Handloom Export Promotion Council (HEPC) has been organising international fairs in virtual mode. During 2020-21, 12 handloom fairs were organized in virtual mode. Besides, 53 domestic marketing events were also organised in different parts of the country for the weavers to market and sell their products.

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Kurukshetra

FORTHCOMING ISSUE

October 2021 : Social Transformation in Rural India

COMING SOON

Rural Sports

Greetings to all fellow citizens on 75th Independence Day

Jai Hind

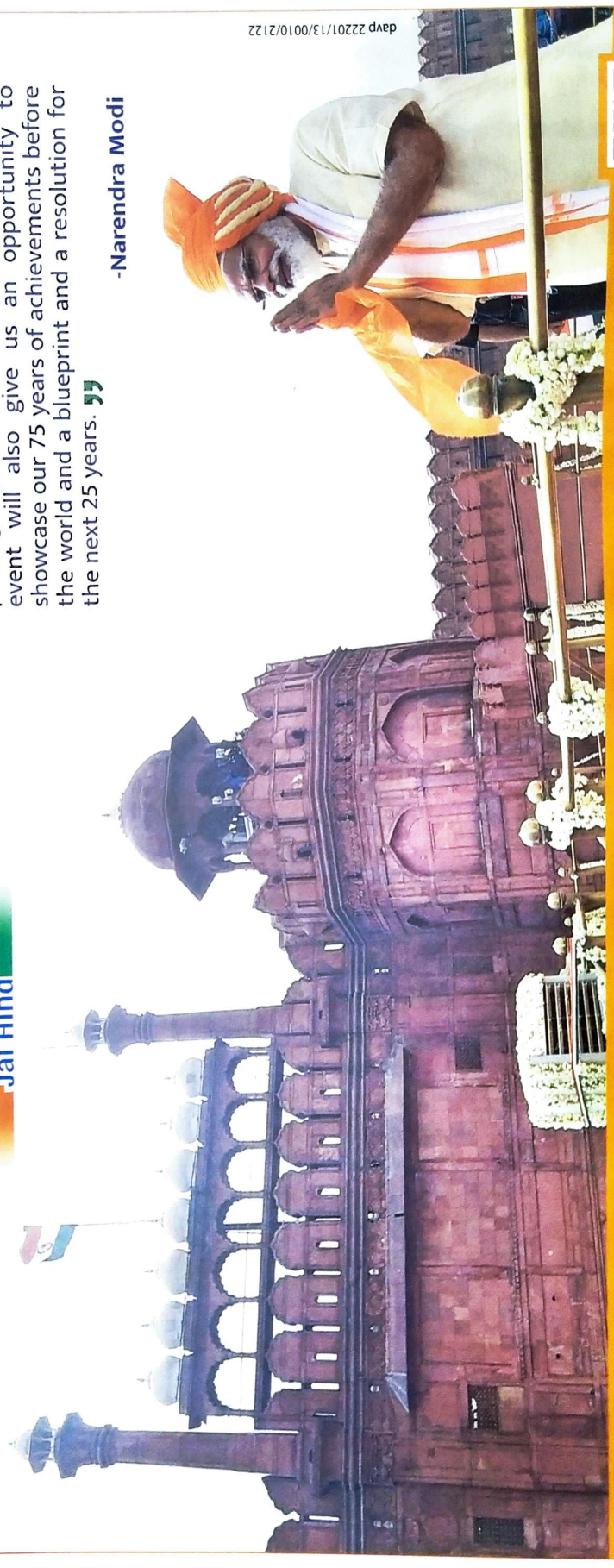


Ministry of Information and Broadcasting
Government of India



“ The Amrit Mahotsav of the country's independence is a festival of crores of Indians, which has the tradition of eternal India, reflection of the freedom struggle, and the privileged progress of independent India. This event will also give us an opportunity to showcase our 75 years of achievements before the world and a blueprint and a resolution for the next 25 years. ”

-Narendra Modi



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Nation First, Always First

#AmritMahotsav
Scan QR code and participate
in Azadi Ka Amrit Mahotsav



Communication Strategies in Rural Marketing

Akanksha Shukla

Rural markets have increasingly begun to have more potential for consumer durables and services. The growth of rural marketing leads to increased business operations, professional activities, and services that can generate a lot of employment opportunities. The entire bandwagon of marketing goods needs a specialised communication strategy along with marketing and advertising tools. A well defined communication strategy can substantially enhance rural marketing.

Rural Marketing is defined as a function that manages all activities involved in assessing, stimulating and converting the purchasing power of rural consumers into an effective demand for specific products and services, and moving these products and services to the people in rural areas to create satisfaction and a better standard of living and thereby achieving organisational goals (Iyer, 2010). Rural marketing is also a process of developing, pricing, promoting, and distributing rural specific goods and services leading to a desired exchange with rural customers to satisfy their needs and wants, and also to achieve organisational objectives.

Pratik Modi (2009) has given the following summation of the ambit of what constitutes a rural market.

a. Urban to Rural (U 2 R)

A major part of rural marketing falls into this category. It includes the transactions of urban marketers who sell their goods and services in rural areas, like pesticides, fertilisers, seeds, FMCG products, tractors, bicycles, consumer durables, etc.

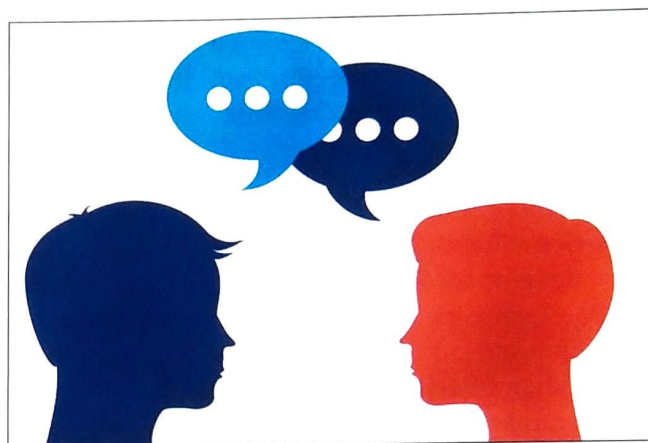
b. Rural to Urban (R 2 U)

Transactions in this category basically fall under agricultural marketing where a rural producer seeks to sell his produce in an urban market, like seeds, fruits and vegetables, milk and related products, forest produce, spices, etc.

c. Rural to Rural (R 2 R)

This includes the activities that take place between two villages close to each other, like agricultural tools, handicrafts and bullock carts, dress materials, etc.

The entire bandwagon of marketing goods needs a specialised communication strategy along



with marketing and advertising tools. As the scope and ambit of rural marketing are large, this article concentrates only on SHG product marketing within the broader spectrum of rural marketing across tourism, farm, and non-farm products, etc. It suggests a communication strategy to manage the local market, develop e-commerce for SHG products, and need training and capacity building.

Historical Initiatives

NIRDPR Delhi (erstwhile CAPART) set up its Marketing Division in 1989 to provide opportunities, exposure, and sustainable market linkages to rural producers covered under various income generation schemes of the Council and Ministry of Rural Development, Govt. of India. The SARAS mela was a unique initiative of the Ministry of Rural Development, under the Deendayal Antyodaya Yojana-National Rural Livelihoods Mission (DAY-NRLM) to bring the rural women SHG members formed under the said scheme on one platform to showcase their skills, sell their products and build linkages with potential market players and also, develop a market for themselves. SARAS mela provided an opportunity for rural producers to sell their products directly in major markets, to interact with the buyers, to study and

comprehend the latter's tastes, preferences, and choices. Thus, it helped them to upgrade and tailor their products, hone marketing skills, and provide better services to the consumers while benefiting from larger marketing opportunities.

SARAS on GEM

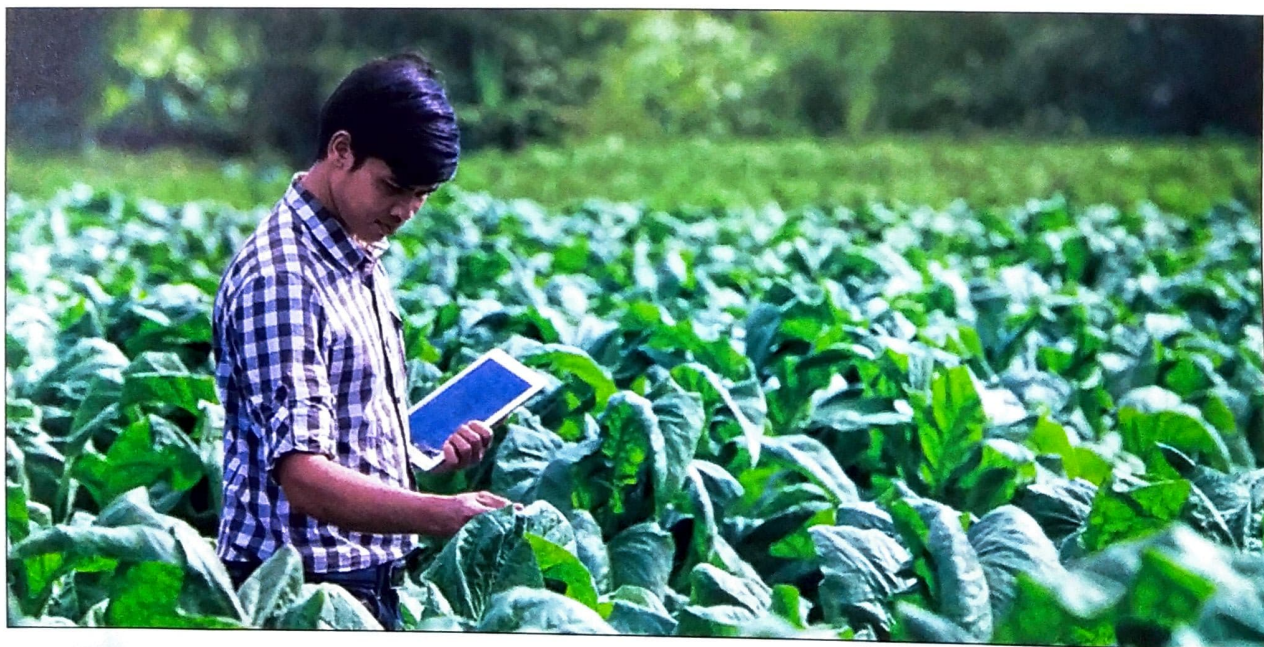
In May 2020, the Commerce Ministry's public procurement portal GEM started an initiative -- The Saras Collection -- for rural SHGs, wherein they could display their products on the platform for government buyers, in five categories --handicrafts; handloom and textiles; office accessories; grocery and pantry, and personal care and hygiene. In the first phase, 913 SHGs from 11 states have registered as sellers and 442 products have been listed. An Online mela Software (OMS) was developed by the NIC to automate the NRLM Aajeevika Mela activity for participation, stall distribution, and sales recording, etc. Daily attendance of artisans and billing of sold products are also taken through the mobile app linked with this portal. E-bill is generated for customers and after entering the mobile number.

To develop a scalable model capable of onboarding a large number of SHGs across the country in a short time frame, GeM has developed an API (application programming interface) based integration mechanism with the NRLM (National Rural Livelihoods Mission) database. All the MSMEs that have registered on the Udyam portal can also

register as sellers on GeM directly through a Live API where seller registration happens daily. The onboarding of SHGs under the initiative has been initially piloted in the states of Bihar, Chhattisgarh, Jharkhand, Karnataka, Kerala, Himachal Pradesh, Maharashtra, Odisha, Rajasthan, Uttar Pradesh, and West Bengal.

State Rural Livelihoods Mission (SRLM)

Ministry of Rural Development (MoRD), in the implementation of NRLM within the state, has set up the State Rural Livelihoods Mission (SRLM), for implementation of NRLM in each state. The state units have their portals for showcasing activities. Some of the states have e-commerce sites and apps for online shopping also. For example, the Bihar state has a portal <https://shop.brpls.in> to sell its products. Jharkhand has a mobile app called *Palashmart*, which can be downloaded from the Google Play Store. The other SRLM units also have the provision for showcasing the products online; The Department of Cottage and Rural Industries, Madhya Pradesh provides assistance to Entrepreneurs/SHGs/NGOs and this scheme envisages public-private partnership by involving SMEs/SMF/SHG/VOs/beneficiaries. It guides them on design development, product development, product diversification, and export-oriented products. Besides, SHG products need promotion and documentation for effective marketability, promotion.



Communication Role in Rural Marketing

The population of India has jumped to 1.81 billion during the 2001-2011 decade. According to the provisional data of census 2011, India's population is 1.21 billion and the rural population stands at 833.1 million residing in 6,49,481 villages. As of 2021, there are a total of 2,55,470 Panchayats, 6837 Intermediate Panchayats and 660 District Panchayats.

India has the largest market in the world with rural folks having growing purchasing power and increasing aspiration levels. Regional autonomy affects the economic development of rural communities, but if it is managed and delivered with communication strategies, it will reach the recipient and this message will be received by rural communities, who have different perceptions and ways of processing messages. The rural marketing strategy should be designed to handle R2R business conducted in traditional markets and businesses involving entrepreneurs and SHGs.

In the first case where rural markets are located, the biggest challenge is of organisation and sanitation of market areas. Other challenges in rural marketing include infrastructure, shortage of electricity, water, and sanitation, poor logistics support, illiteracy, and distribution network. Rural consumers are fundamentally different from their urban counterparts socially, psychologically, physiologically, and literally. Rural consumer behaviour is influenced by several aspects namely socio-economic, cultural, psychological, and physiological environment. Apart from these, the rural consumer behaviour is moulded by the external environment, namely opinion leaders, friends and relatives, resource persons, retailers, reach of media, caste and religion, etc. There are multiple levels of communication involved in rural marketing.

Rural consumers need to take utmost care with respect to price, quantity, quality, manufacturing date, expiry date, etc., while purchasing essential commodities in the rural market. The traditional market is a meeting place for sellers and buyers and is characterised by a bargaining process. Traditional market usually consists of stalls or outlets, booths, and open bases opened by the seller or a market manager. Most of them sell daily necessities such as

foodstuffs in the form of fish, fruit, vegetables, eggs, meat, cloth, electronic goods, services, and others.

Thus, the communication strategy should be aimed at better management of traditional markets with an aim to:

- (a) providing legal certainty for traditional market operators,
- (b) realising order, security, cleanliness, and comfort of traditional markets,
- (c) regulating and organising the existence and establishment of traditional markets,
- (d) providing business guidance and protection to traditional markets, and
- (e) the implementation of prosperity among traditional market business actors.

A persuasive communication strategy may be required in dealing with conflicts in the management of the market. The source acts to make changes in the attitudes, values, and or behaviour of the recipient involving the message. What the communicator utters through his words, gestures, and tone of voice, aims to change the attitude of the parties with different views/opinions to obtain an agreement. There are two basic forms of messages – non-verbal and verbal. The message conveyed is in the form of arguments to resolve differences of opinion/views using deliberation in reaching consensus. Feedback is an answer or reaction that comes from the recipient (persuade) or it can come from the message itself. The changes that occur are in the form of changes in attitudes, opinions, and behaviour. In choosing the media or communication channels, one must consider the characteristics of the content and the purpose of the message content to be conveyed.

To manage traditional markets for rural economic development, the communication strategy to be used in solving the problems that occur is using formal channels through circular letters (regulations) while informal channels in conveying persuasive messages are carried out through face-to-face situations by holding meetings to resolve and make decisions.

In the post-COVID-19 era when e-commerce has become a necessity, mobile banking has an important role. The main hurdles in Indian rural

areas are technology illiteracy, lack of internet facility through wireless or broadband by a particular service provider, internet bandwidth is not appreciable in rural areas, a misconception regarding safety and security, lack of awareness of mobile banking, etc. Mobile phone usage is good in rural India so banks can easily reach the rural population with



the help of mobile banking. The communication plan needs to think about all such gaps and messages be aimed to mitigate them. Vehicles of communication include newsletters, phone calls, face-to-face communication, and text messages. The new channels include email, texting, websites, and electronic newsletters, presentations on social media such as Facebook, Twitter, YouTube, and blogs. Digital sources of communication can also be used to reduce the geographical distance and they are a less costly alternative, as it optimises the time for exchanging information.

Most of rural India remains a mystery due to the multiplicity of languages (15 major and over 1300 dialects), diversity in tradition & cultures, lack of distribution channel, and poor understanding of rural customers. While trying to chalk out a communication strategy for rural marketing, it is important to understand the rural realities and perception, rural beliefs and value system so that communication is possible in an environment of low literacy.

Rural Communication Strategy at the Grassroots

Two essential aspects have been traditionally neglected in rural markets-sanitation and organisation, and B2B (business to business) and B2C (business to customer) communication.

B2B and B2C communication strategies must emphasise the usage of symbols and pictures, use of colour in rural communication, use of rhythm and music, use of language, use of models and

celebrities. As SHG products and SARAS mela efforts in post-COVID-19 era concentrate on social media and online business, hence let us consider social marketing. Lee and Miller (2012) provided seven best practices of social marketing. These include an agreement in terms of a clear purpose and focus, proper identification and description of the target audience, selection of specific behaviour, proper understanding of the audience barriers, consideration of the 4Ps (Product, Price, Place Promotion), formation of partnerships, and proper evaluation.

Social media marketing, despite the importance of innovation, lacks managerial skills/marketing expertise, perceived cost, regular systems/links upgrade, and financial constraints which are significant inhibiting factors affecting the application of social media as advertising and communication tools among SMEs in developing economies. Furthermore, a study undertaken by Burgess et al. (2017) established that time and internet accessibility were major constraints associated with social media for SMEs to adopt it. Cheng et al. (2016) revealed that skills and expertise training are constantly needed at all times since social media as a new technology keeps changing. The main challenge lies in preparing ICT structures by SHG groups and rural entrepreneurs, internal changes like personnel training, expertise and technical assistance, and lack of money to buy basic equipment to make a YouTube channel and self advertise. The concept of online shopping

proficiency and acceptance, and the popularity of internet infrastructure are not the same in rural and urban areas.

Word of mouth plays an important role in rural marketing. To reach the rural market, entrepreneurs need to have high involvement in creating products that are relevant to their needs. Money is of prime importance for rural customers; therefore, pricing should be affordable. Since rural customers understand symbols and colours better; entrepreneurs need to advertise their products in such a way that rural customers can remember their brand.

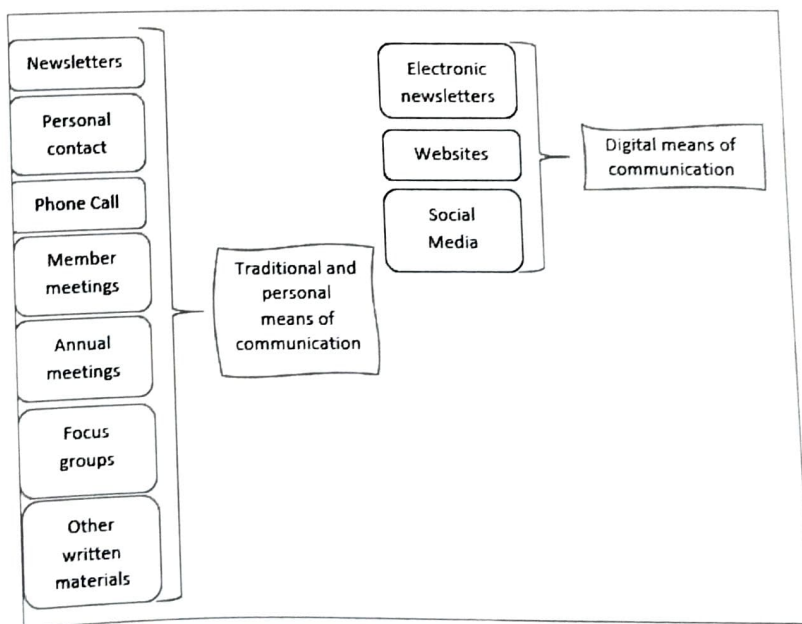
Local content is generally defined as content that is intended for a specific local audience, as defined by geographic location, language, culture; and content that is socially, culturally, economically and politically relevant to a given society. Localisation can be improved with the direct involvement of the users by personal interviews that involve questions and answers. The sources that provide the content are generally the local experts and establishments who have expert local knowledge. To proliferate SHGs' success, there is a need for documentation. Content can then be contextualised by the ICT project based on the communities information needs. Multiple interactions with the community will ensure the trust of the establishment, and a better understanding of the demands of local communities; hence, providing insights into the needs of the community that the ICT platform will serve. A clear understanding of the demands of the communities requires competency in the analysis of the needs that involves the process based on actual dialogues with the members of the community, which further requires the empowerment and organisation of the community.

Benefits and Challenges of E-commerce

In the aftermath of the COVID pandemic, e-commerce has become the mantra for the survival of small businesses. For composing a communication strategy to enhance online marketing, the following are essential:

1. Recognise various actors involved in the system and how each one of them can contribute to the system.
2. Price determination and the variables that influence it.
3. Consumer needs.
4. Discerning some of the existing e-commerce frameworks.

Communication channels to share information can be separated into two aspects: (1) more traditional and personal means and (2) digital means or channels which employ the use of more modern technologies such as the internet, electronic devices, and social media. Social capital and communication are connected in a way that an increase in one of them facilitates the increase in the other. Better communication increases the level of mutual understanding between members. It was also noted that communication is a means which can influence the building of trust. Furthermore, trust influences the level of communication. Once trusting relations leads to a higher frequency of information exchange as well as richer and potentially more valuable information, entrepreneurs are more committed to a customer-oriented strategy and promote competition between members. Social media could have been the best marketing tool for SMEs to adopt for its advertising purposes but the inherent challenges associated with it, like managerial skills/expertise, perceived cost, internet accessibility, system/link upgrade, and



finally financial challenges faced by these SMEs affect its adoption.

Theoretical Premise of Behaviour Change Communication (BCC) in Rural Markets

The theory of planned behaviour in marketing can help explain adoption behaviour. This theory is an extension of the theory of reasoned action. According to the theory of reasoned action, the intention of performing a behaviour is often the best predictor of whether the desired behaviour will eventually be performed (Ajzen, 1991; Montaño and Kasprzyk, 2008). The underlying assumption in the theory of reasoned action is that of volitional control over the behaviour. In other words, a person is in full control of the various factors that play a role in the performance of that behaviour (Ajzen, 1985). The theory of planned behaviour also looks at the amount of control an individual has over the various internal and external factors which eventually accelerate or impede the performance of the desired behaviour (Ajzen 1985, 1991). Therefore, the intention to perform a behaviour gets converted into the performance only when the desired behaviour is perceived to be under the control of the person performing the behaviour (Ajzen, 1991) and is called perceived behavioural control (Ajzen, 2002).

According to the theory of planned behaviour, control over behaviour is dependent upon two components, perceived self-efficacy and the perceived controllability (Ajzen, 2002). The perceived self-efficacy is the belief of a person about the level of control exercised over his/her functioning and the various events which may affect his/her life (Bandura, 1991). Controllability is the belief of the extent that the performance of the behaviour is under the control of the actor himself (Ajzen, 2002).

To apply the theory to practice, there is a need to address the knowledge and technology gap in SHG women and entrepreneurs at the grassroots level.

Training and Capacity Building

Training is effective only when it fulfils the need of the trainee. Literature suggests the benefits of segmentation of the target adopters. For instance, Kotler and Roberto (1989) suggest

that segmentation done to break down the target-adopter population into groups that have common characteristics helps in tailoring products according to the needs of the adopters. This is likely to lead to greater satisfaction and early adoption. In addition, technical sessions and recurring training sessions for the entrepreneurs during the critical stages of building up the business are required. The demonstrations may be combined with regular follow-up advice as well as taking feedback. Change becomes easier when the costs are low and the tangible personal benefits are high. Communication about the benefits of the adoption of new technology is often provided in the form of couplets in local languages. Such communication is generally painted on the walls of other public places, which the entrepreneur generally frequents. The assured market serves to overcome one of the biggest obstacles faced by the entrepreneur in the adoption of any new technology; that is the unavailability of markets and hence un-remunerative returns on the investments.

According to the theory of planned behaviour, two components determine the adopter's behaviour – perceived self-efficacy and perceived controllability. The first proposition suggests that education about a new practice is likely to increase self-efficacy. It is proposed that the marketing function is likely to address the various external factors like unavailability of inputs, unavailability of credit, and unavailability of markets, which might stop the entrepreneur from adopting an innovation. The provision of a marketing function in a rural market will lead to greater perceived controllability. If adoption of the technology does not happen as envisaged it provides an opportunity to reflect on the process and to try alternative solutions.

The social marketing approach requires the segmentation of target adopters based on similar needs. The marketing function is likely to offer the new technological innovation at the right place and the right price, which includes not just the monetary costs but also the social and psychological costs.

NIRDPR has recently initiated a series of training for alternative rural livelihood through social media portals so that rural entrepreneurs

can be trained in basic skills of documentation and self advertisement through digital media.

Futuristic Perspective

To facilitate the growth of the rural market, the government has to develop infrastructure facilities like roadways, railways, etc., in rural areas. Rural communication facilities like telecommunication systems, internet facilities, broadcasting systems as envisaged under Digital India have to be improved so that there will not be any communication gap among players of the rural market segments. Educating rural consumers is the key to successful rural marketing. Rural consumers need to be educated in all aspects like usage of the products, gathering product information, consumer rights, laws and regulations, getting the right product at the right place at the right cost at the right time, GST, pricing, packaging, and customer communication. An efficient distribution system needs to be developed so that products reach the ultimate consumer in the quickest time possible at minimum cost.

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Panchayati Raj: Present Status and Future Prospects

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India has a remarkable achievement of continuing Panchayati Raj System, which is an integral part of our culture and civilisation. The 73rd amendment of the Constitution of India provided constitutional status and institutional framework to Panchayats to strengthen grassroots level democracy through elected self-governing local bodies in the rural areas. Year 2021 marks 28 years since Panchayati Raj Institutions (PRIs) came into existence and this article is an attempt to understand evolution of PRIs as units of local governance, their roles and responsibilities, achievements and way forward.

Panchayati Raj was not a new concept in India. In ancient India, Panchayats were usually elected councils with executive and judicial powers. The structure and functions of these local councils underwent marked changes from time to time. During Mughal era, Panchayats were made as 'controlled' local bodies, which could help them in their trading interests by collecting taxes for them. During British rule, various commissions, like Royal Commission, Simon Commission etc., recommended the dissemination of powers to local bodies. Nevertheless, under colonial rule local self-governments were never independent and were under the control of state authorities. Father of the Nation, Mahatma Gandhi, was among the first and most important leaders to advocate for Panchayati Raj. It was the centrepiece of his vision of economic development in India.

After independence, India inherited a different

type of rural local self-government in place of traditional village Panchayats. Mahatma Gandhi wanted to give the villagers adequate powers so that they can achieve Swaraj or Self-Governance. But, Dr. Ambedkar believed that village Panchayats had very little chance of success because villages in India were caste-ridden. When the Indian Constitution was being framed, the 'Village Panchayats' were placed in the Directive Principles of the State Policy (Article 40) of the Constitution and states were to endow the Panchayats with powers and authority to enable them to function as units of self-government.

The first organised effort to tackle the problem of rural governance was made through Community Development Programme in 1952, with an objective of bringing socio economic development to the rural masses on democratic lines. But the programme failed to take off along the expected lines due to the absence of an effective instrument for people's participation. There were a number of



committees appointed by Government of India to study the implementation of self-government at the rural level. Balwant Rai Mehta Committee (1957) recommended three-tier system of governance for Panchayats; Ashok Mehta Committee (1977) suggested the need for two-tier system at the ground level of governance; G.V.K Rao Committee (1985) advised that elections in local governments are required to be conducted regularly; and L M Singhvi committee (1986) emphasised the need for constitutional recognition of local self-government.

73rd Constitution Amendment Act of 1992:

The 73rd Amendment to the Constitution enacted in 1992, added Part IX to the constitution. The Panchayats' and also added the Eleventh Schedule which consists of the 29 functional items of the Panchayats. 73rd CAA of 1992 came into force on 24th April 1993. With this act, Panchayati Raj System came under the purview of the justiciable part of the constitution and mandates states to adopt the system. Further it states that the election process in PRIs will be held independent of the State Government's will. The Constitution also contains provisions for reservation of seats for women and weaker sections, regular flow of funds through State Finance Commission and periodical conduct of elections by the State Election Commission.

Conformity Laws of the State: The decentralisation as envisaged in the CAA encompasses Political, Administrative and Fiscal decentralisation. Within the broad constitutional framework, States have enacted laws and formulated rules that define Panchayat structure and functions. As on today, there are 660 District Panchayats, 6,836 Block Panchayats and 2,55,479 Gram Panchayats in the country. These Panchayats provide a diverse, widespread, and strong political foundation for inclusive and participative growth. Though the political decentralisation is complete in the state, the administrative and fiscal decentralisation is still evolving with gradual transfer of functions, functionaries, and funds to the local governments.

Representation of Women in Panchayats:

Article 243D of the Constitution mandates that not less than one-third seats at all levels of Panchayats shall be reserved for women. Though the Constitution guarantees only one-third of seats to women, 20 states in the country have made provisions in their respective State Panchayati Raj Acts for 50 percent reservations for women.

Bringing women into politics is an act of positive discrimination. At present, there are 31.87 lakh Elected Representatives (ERs) in the country of which 14.54 lakh are women. Of the total ERs, about 19 percent are from Scheduled Caste, and 12 percent from Scheduled Tribe communities.

Functional Responsibilities of Panchayats

The Constitution mandates nodal role of Gram Panchayat to provide basic civil services at local level. The functions of Panchayats can be classified into three categories as shown below.

- 1. Mandatory Function:** Provisions for operation and maintenance of civic facilities have traditionally been the key functions of local governments. The mandatory functions are those core or basic functions which a Gram Panchayats need to discharge as per the provisions of the act. The mandatory functions are mostly civic and regulatory functions. There is no other agency to perform these functions.
- 2. General Function:** In addition to civic and regulatory functions of the Gram Panchayats, the PRIs also carry out general functions of planning, execution, and supervision of all developmental programmes. In case of Kerala, 14 general functions including awareness against social evils, relief operations, responses mobilisation, gathering of statistical data, creating legal awareness, etc. have been included.
- 3. Sectoral Function:** The PRIs as democratically elected local governments have an important role in addressing the diverse socio-economic needs of the rural community. Functions handled by various line departments in consultation approval of Gram Panchayats are known as Sectoral Functions or Agency Functions. The Constitution envisages that Panchayats will plan and implement schemes for economic development and social justice in respect of 29 subjects listed in XI Schedule.

Funds Flow to Panchayat

Article 243-I of the Constitution provides for creation of State Finance Commissions (SFCs) to help structure inter-governmental fiscal relations at the state level. The SFCs have the mandate to review the financial position of the Panchayats, ascertain the fiscal gaps and make suitable recommendations to the Governor for redressing the same through tax devolution and grant-in-aid from the State.

SFC, ensure regular flow of funds to Panchayats by defining revenue-sharing arrangements between the states and the PRIs.

Decentralised and Participatory Planning

The Constitution has empowered the Panchayats to plan and implement schemes for economic development and social justice. Over the last 28 years, several initiatives have been taken by the Government of India and State Governments to realise the constitutional mandate by enabling the Panchayats to prepare decentralised participatory plans. Kerala was the first state to undertake the decentralisation effort. In 1996, the “People’s Plan Campaign” was specifically conceived as a vehicle for deepening democracy and decentralised planning. The state subsequently promised to devolve 35-40 percent of plan funds to Panchayats to implement the schemes formulated at local level. As a result of People’s Plan Campaign, Panchayats were afforded the opportunity to design and implement their own plans across the various developmental sectors through direct public participation.

Gram Panchayat Development Plan (GPDP)

Ministry of Panchayati Raj (MoPR) issued general guidelines in 2015 for preparation of Gram Panchayat Development Plan (GPDP). Following the guidelines, States issued their specific guidelines for the GPDPs to cater the needs of their GPs. After critical analysis of the plans prepared by Gram Panchayats, it was observed that there was miniscule presence of major sectors like Agriculture, Health, Education, Women and Child Development etc. In 2018, MoPR constituted a committee, represented by MoPR, line Ministries, State Governments, NIRDPR and SIRDPRs to revise the guidelines. Accordingly, revised GPDP Guidelines were released in October 2018. In 2020, MoPR has also brought a framework for preparation of Block and District Panchayat Development Plans.

People’s Plan Campaign (PPC)

Every year during 2nd October to 31st December, MoPR organises People’s Plan Campaign to formulate GPDP, as ‘Sabki Yojana Sabka Vikas’, throughout the country. This campaign is jointly facilitated by the MoPR, the related Central Ministries, State PR departments, facilitators and the frontline workers of line ministries related to 29 subjects. Each campaign is an intensive and structured exercise for planning through

convergence between Panchayats and concerned line departments. During the campaign, structured Gram Sabha meetings are held for preparing GPDP. The PPC creates an enabling environment, where citizens feel empowered to work towards development of their village in a participative manner. The PPC was launched in 2018 and continued as annual event.

Localising SDGs

Globally, the population in rural areas is 46 percent and in urban areas, it is 54 per cent of the total population. But in India, 72 percent population is rural and 28 percent is urban. Therefore, nearly 65 percent SDGs targets have local government intervention possibilities. Localisation refers to the process of adapting, implementing, and monitoring the SDGs up-to village level for last mile adaptation. Formulation of GPDP, presents an opportunity to the Gram Panchayats to synchronise the local plans with SDGs. Disaggregating the SDGs into Gram Panchayat level targets have vertical and horizontal linkages, convergence possibilities, resource mobilisation and feasible action by the Panchayats.

Recent Initiatives in Panchayat Governance

e-GramSwaraj portal: With the emphasis on the e-Governance operations, Ministry of Panchayati Raj has put in place e-GramSwaraj, (<https://egramswaraj.gov.in/>), a unified portal for effective monitoring and evaluation of works taken up in the Panchayats. It was launched by Prime Minister on National Panchayati Raj Day, 24th April, 2020, (National Panchayati Raj Diwas). The application improves reporting and tracking of Panchayat activities, providing a single interface for capturing Panchayat information. Further, the Ministry has put in place an Electronic-Fund Management System integrating e-Gram Swaraj & PFMS (eGSPI). The eGSPI is mandated for utilisation of Central Finance Commission funds by Panchayats. From 01st April, 2021, onwards, all the MoPR schemes have been on-boarded on eGSPI and only online payments are being permitted across all the 3 tiers of the Panchayats.

Spatial Development Planning

‘Gram Manchitra’, a unified Geospatial platform, launched in 2019, helps in visualising various developmental works to be taken up across the 29 sectors and provide a decision support system to Panchayats during planning process. This application is also linked with Socio-Economic Caste

Census (SECC) report, Mission Antyodaya reports and resource envelope of Panchayat together with spatial and non-spatial data from various ministries and departments. Spatial planning improves transparency and quality of services in rural areas. From 2021 onwards, it is envisaged that the planning process of the Gram Panchayats would be evidence based, leveraging spatial planning.

Online Audit of Panchayat Accounts

As a critical institutional reform, MoPR has launched the "Audit-Online" application on 15th April, 2020. Audit-Online not only facilitates the online auditing of accounts but also provisions for maintaining audit records that have been carried out. This application seeks to streamline the process for audit inquiries, draft local audit reports, draft audit Paras, etc. Initially the online audit of Panchayat accounts for 14th Finance Commission for the year 2019-20 were carried out using this application. From 2021-22 onwards 100 percent Gram Panchayats audits will be done Online. These steps coupled with Social Audit will further strengthen the financial management system of the Panchayats. Three components: (a) Localising the SDGs targets up to village level (b) Mapping of SDGs to the Functional Domain Panchayats and (c) Strengthening Partnerships for achieving SDGs.

Citizen Charters for Panchayats

The Ministry of Panchayati Raj has launched a nation-wide campaign namely, 'Meri Panchayat, Mera Adhikaar- Jan Sevaayein Hamaare Dwaar' from 1st July to 15th August 2021, and Gram Panchayats across the country prepared and published Panchayat Citizen Charter. The basic objective of Panchayat Citizens' Charter is to empower the citizens in relation to public services and improve service quality on the lines of citizen's expectations. The creation of Charter brings professionalism in Panchayat functioning and helps to reach out to all sections of community without any discrimination. NIRDPR played a major role in drafting model Citizen Charter for Panchayats and providing handholding support to PRIs in drafting the charters.

Celebration of Azadi Ka Amrit Mahotsav (India@75) by Panchayats

Government of India is organising series of events to commemorate the 75th anniversary of Independence. Panchayats across the country are celebrating the "Azadi Ka Amrit Mahotsav" (India@75) as Jan-Utsav in the spirit of Jan-Bhagidari

through outreach initiatives like Jan-Samvaad and Jan-Jagran. For this purpose, the Union Government has identified 225 Panchayati Raj Institutions across the country as Beacon Panchayats on the basis of their performances in several fields. The MoPR requested all Beacon Gram Panchayats to set up a library in Gram Panchayat with an aim to inculcate the habit of reading among rural youths/kids. The mahotsav has provided an opportunity to showcase good practices/success stories of Beacon Panchayats and its replication in other parts of the country.

Future Prospects for Panchayati Raj Institutions in India

Despite the well-thought out provisions, there are several challenges in functioning of Panchayati Raj Institutions. In order to make the decentralised local self-government more meaningful, states need to be persuaded to devolve functions, funds and functionaries to strengthen the Panchayati Raj system in respective states. The Institutional structures like the District Planning Committees created to expedite decentralised planning, need to be made functional. People's participation in Gram Sabha is very poor in most of the States. Strengthening of Gram Sabha and Standing Committees will ensure better participation of public in decision making at Panchayats. The parallel structures or units created by Central and State Governments for implementing specific projects on education, health, etc. need to work under PRIs and convergence need to be ensured, to avoid duplication of activities in villages. Own Source Revenue (OSR) of Gram Panchayats provide long-term sustainability to public services. There is a need for a change in the mind set, some amount of persuasion and awareness creation on the importance of raising OSR, among the Panchayats.

It is evident that no other institutions can replace the role played by Panchayats in providing the basic services in rural areas. During disasters and pandemic, Panchayats are gearing-up to manage the situation through public participation. In spite of several challenges, Panchayats, as Third Government, are attempting to keep alive the spirit of democratic decentralisation.

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Agricultural Marketing Strategies during COVID-19

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The COVID-19 pandemic led to a standstill around the world and the agricultural chain in India was equally affected. However, the crisis also led to several innovations and models in agricultural marketing which were institutionalised by development departments, Farmers Producers Organisations (FPOs), voluntary associations and private players.

During the 2020 lockdown due to COVID-19 Pandemic (in April, May and June, 2020), the farmers as the sellers of their produce faced difficulty towards marketing their produce as there were restrictions for free movement and transport. The buyers and aggregators could not move freely to collect the produce produced by the farmers. In such scenario, horticulturists had a tough time to reach the consumers with their perishable commodities, especially fruits and vegetables. However, certain players such as development departments, voluntary associations, Farmers Producers Organisations (FPOs) and private players operated in their own way to help the farmers in marketing. This article discusses about such models and strategies which were adopted towards agricultural marketing, especially the roles played by various players, innovations adopted by them, lessons that can be learnt etc. This article shall also suggest a strategic model that can be adopted by the various stakeholders.

During COVID lockdown period, use of ICT, social media, B2B, C2B, P2C and C2P marketing models were promoted for strengthening of agricultural marketing chain. E-commerce through social and unconventional media reach also saw increased penetration. The Government through 'AatmaNirbhar' package, for welfare of farming community and economically marginalised sections, has too enabled entrepreneurs and small producers to move in the direction of Direct Marketing.

Some unconventional strategies and innovations adopted at various levels have been discussed below.



HOPCOMS Model, Karnataka

The Horticulture Producers Marketing and Processing Co-operative Society Ltd. (HOPCOMS), the marketing wing of Department of Horticulture, Government of Karnataka (GoK), is involved in procurement and marketing of horticultural produces produced by the member-farmers of this society. It procures produce from the farmers and sells through sale outlets established at different parts of the states.

During the pandemic, HOPCOMS came out with an innovative marketing model not only for the member-farmers but also for other farmers, who cultivate fruits and vegetables, by issuing special passes for marketing. The farmers who got these special passes, supplied fruits and vegetables to HOPCOMS, which in turn supplied these products to more than 90 government/private institutions such as factories, hospitals and hostels. HOPCOMS got a profit of Rs.1.5 crores by supplying horticultural produces to these institutions.

Apart from supplying to these institutions, HOPCOMS had a tie up with more than 2500 associations of apartments in Bengaluru. Through video conference mode, it collected demand

from these apartments and accordingly supplied the products. Every day sales ranged from of Rs. 45000/- to Rs. 60000/- during April 2020.

Model operated by Karnataka State Mango Development and Marketing Corporation Ltd.

Karnataka State Mango Development and Marketing Corporation Ltd. acts as a development department towards promotion of mango development and marketing activities through various schemes of the state. During the pandemic situation, the Board came out with a model in order to support the mango growers of the state, especially to market their produces.

Through the B2C portal maintained by the Board, the consumers registered and placed order by online payment mode. The mangoes supplied by the farmers, in pre-packed boxes, were distributed by the Board through General Post Office (GPO) of Bengaluru through a marketing tie-up. The farmers were paid after the delivery and the GPO was paid towards transportation charges. More than 1000 tonnes of mango were sold through this model. The quantity that remained after completing the delivery to the consumers was then supplied to the apartments in Bengaluru at a sale price fixed on mutual consensus.

The Board is also planning to have a tie-up with Flipkart for marketing of mangoes collected from Mangaluru, Dharwad, Davanagere and Belagavi districts of Karnataka, so that marketing problem during such Pandemic situations can be managed effectively.

Initiatives by Farmers Producers Organisations (FPOs)

Model operated by Puthari FPO, Kodagu, Karnataka

Puthari Farmers Producers Organization, Kodagu is a FPO functioning in Kodagu district of Karnataka to extend diversified services to the farmer-members from the district. This FPO is being promoted by *Krishi Vigyan Kendra* (KVK), Gonikoppa, Kodagu, Karnataka, which is functioning under the administrative control of ICAR-Indian Institute of Horticultural Research (IIHR), Bengaluru. The KVK extends technological backstopping to the FPO for its services to the farmer-members and also provides space for doing business activities in agriculture.

During the lockdown period, the consumers of Kodagu district were suffering from lack of supply of fruits and vegetables. Understanding this situation, the FPO initiated a tie-up with horticulturists of 8 taluks in Karnataka, procured the produce and supplied to the consumers at the premises of KVK, Gonikoppa, Kodagu district. Based on this experience, KVK gave a regular space for the FPO to operate a rural mart. Also, the FPO has initiated contract farming of vegetables through farmers who had a tie-up during the lockdown period. Contract farming and establishing an exclusive rural mart at KVK are the innovations that emanated from this model.

Model operated by Palamner Farmers Producers Organisation (FPO), Andhra Pradesh

Palamner FPO is serving its producer members of Palamner taluk of Andhra Pradesh through different kinds of extension services such as supply of inputs (seeds, planting material, fertilizers, plant protection chemicals, farm tools and implements) and procurement and marketing of produces etc. The farmer-members (300-400) of this FPO had a tough time to market their products, especially vegetables during lockdown. FPO helped these farmers through direct marketing.

Demand for vegetables was identified to be supplied to three companies situated in Palamner with about 7000 workers. The indent from companies were collected by the FPO and in turn informed to vegetable growers, who then supplied vegetables to the FPO. The FPO procured, graded, packed and supplied to the identified companies. Better rate than the market rate was given to the farmers and with Rs.1/kg profit for the FPO. Farmers started diversifying cultivation of vegetables such as green chilli, ladies finger, ridge gourd, bottle gourd, bitter gourd from merely growing tomato, cauliflower and cabbage.

Vegetable growers were also benefitted through the interest free COVID loans arranged by FPO from financial organisations. As a result, the FPO is planning to establish primary processing centre and buying air-conditioned vegetable vending vans under Operation Green project of the Government of India (GoI).

Models initiated by Voluntary Associations

UAS Alumni Association Model, Bengaluru, Karnataka

The alumni of University of Agricultural Sciences (UAS), Bengaluru, Karnataka started the UAS Alumni Association to cater to the technological backstopping needs of officials of development departments, farmers and other stakeholders through organising scientific forums, dialogues, lectures and other such events. This organisation also does extension services to the farming community. Through the mainstream media, the office bearers of this association came to know that the grapes harvested by the grape growers in and around Bengaluru are being wasted due to lack of access towards market facilities during the lockdown period. In order to support the grape growers during such crisis situation, the office bearers of this association took initiative to link the farmers and consumers. They made a press release through newspapers and electronic media about direct marketing of grapes to the consumers in public lay outs and apartments. They arranged transport for supply of the harvested grapes through group of grape growers and made them to sell in different apartments and lay outs directly. By this arrangement, both the farmers and consumers were benefitted.

Models initiated by Private Players

Model operated by TENESIRI Vegetables, Karnataka

TENESIRI Vegetables is a private initiative to link the sellers, buyers and consumers of vegetables through its specially developed mobile app. It helps in collecting the orders from both the buyers and consumers and informing the demand to the sellers. This initiative serves both the commercial vegetable growers and organic vegetable growers. The commercial vegetable growers are linked by B2C model of the app, whereas the organic vegetable growers linked through the B2B model of the app. The organic growers were

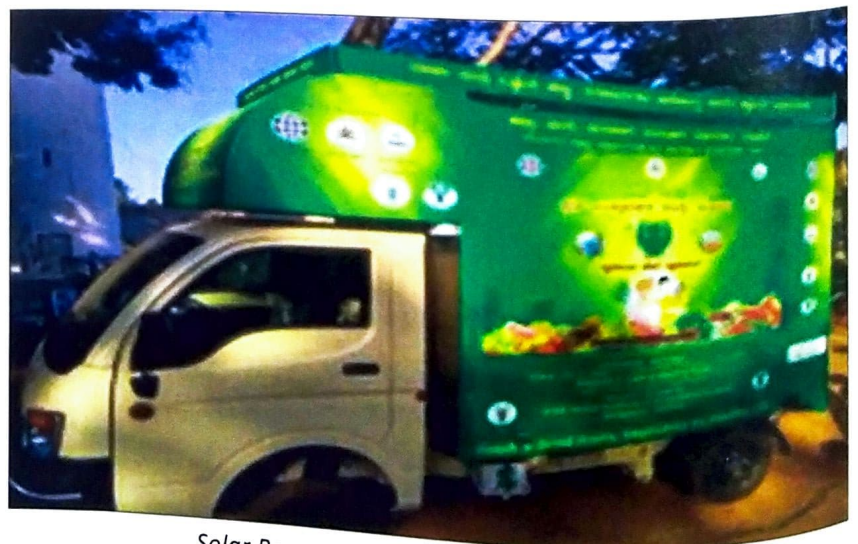
mainly from Belagavi region and the commercial vegetable growers were from Chikkaballapur and Hoskote region of Karnataka. During the period of pandemic, this organisation helped many vegetable growers, who registered through the app, to sell their produce without any problem.

Model operated by Shenoy Fruits, Karnataka

Shenoy Fruits is a private venture, which operates as a wholesale business organisation for procurement of fruits for registered farmers and Farmers Producers Organisations (FPOs). It procures produce of the registered farmers and supplies to the retailers for further sale, with the help of cold-chain operators. It procures all kind of fruits from farmers of Tamil Nadu, apples from Shimla and Kashmir, Avocado from Coorg region of Karnataka, and Guava from Mysore; and supplies to retailers located in Mangalore, Karnataka and Kerala. During the first phase of COVID-19 pandemic, this arrangement was successful to help the fruit growers with a collaboration with cold chain partners.

Model operated by Village Story, Karnataka

Village story is yet another private initiative to unite the farmers, buyers and consumers. This initiative has its own Facebook, WhatsApp and Instagram page, which has more than 25000 clients. The profile of clients includes all the different stakeholders of agriculture. The clients interact amongst them based on their business interest and needs, and thereby, benefit each other mutually, through their transactions.



Solar Powered Fruit and Vegetable Vending Van

Innovative marketing models that supported direct marketing of horticultural crops

A study was conducted by ICAR-IIHR, Bengaluru to assess the role of formal and informal institutions and farmers involved in marketing of horticultural products during the lockdown period and to suggest strategies for successful handling of horticultural produce during similar situations. The sellers (farmers/FPOs) (75), who supplied the produce were also contacted to share their experience in terms of benefits realised during the lockdown period in comparison to the previous periods. The models thus contacted were Village Story (mostly vegetables); Shenoy Fruits; WOOLEY Vegetables; TENESIRI Vegetables; UDAN; direct marketing of dragon fruit (Bengaluru); HOPCOMS, Karnataka; Karnataka State Mango Development and Marketing Corporation Limited (KSMDMCL), Karnataka; Palamner FPO, Andhra Pradesh and UAS Alumni Association model etc.

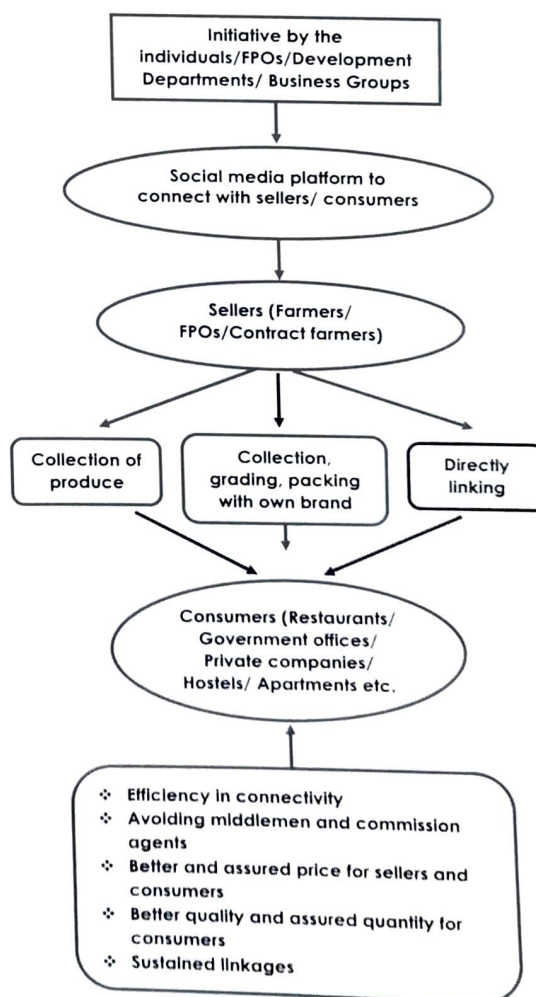
Understanding the models operated by various players towards marketing of fruits and vegetables by farmers, helped in generalising certain conclusions for further analysis. These organisations very effectively utilised social media to communicate among the farmers (sellers) and consumers i.e. both B2B and B2C business models. They identified appropriate sellers (farmer groups or FPOs) for procurement of the produce such as fruits and vegetables. They targeted hostels/business organisations/restaurants and apartments. Some of them made contracts/agreements with sellers (farmers/ FPOs) as far as fixation of price of the produce is concerned. In some cases, common online platforms operated by these operators connected the stakeholders of both B2B and B2C transactions. Some of them started grading and packing the produce in their own brand name and distributed in order to create trustworthiness among the consumers. The sellers (farmers/ FPOs) were given assured and better price than the market price and consumers were assured with supply of quality produce. They fixed the sale price after thorough discussion with the sellers (farmers/ FPOs) and the consumers. The sellers (farmers/ FPOs) were also benefitted by avoiding middlemen and their commission charges. Apart from the use of social media, print and electronic media were also effectively utilised to popularise the business

activities of the models. Based on the analysis of different successful models, a common strategic model was arrived-at, which can be suggested for effective role play by formal and informal institutions and farmers towards marketing of horticultural produce during the similar situations of COVID 19 lockdown period 1 (Fig.1).

Conclusion

The analysis reiterates that the country has enough buffer stocks, which keys in the food security along with nutritional security coming from around 326MT of horticultural production on all fronts. So, the analysis of the new post covid marketing approach is gradual diversification from a heavily subsidy oriented production approach to a gradual volatile market with minimum volatility to reap the benefits of volatility as an approach to make Agri/Horti as an enterprise and market

Fig.1. Strategic model for effective role play by stakeholders for marketing of horticultural produce during similar situations such as COVID-19 lockdown




driven production and market system. Thus, the new Post-COVID scenario provides ample scope for the new dynamics to be in force, obviously when laissez faire type of volatility is forecasted. The government is also ready to invoke the market intervention schemes to protect the interest of the farmers.

From the above discussed models, it has been proven that with the use of ICTs, farmers can upscale and develop their enterprises while increasing means of income. Further, sustainable and holistic development of agriculture is possible through knowledge based input and participation of government with farmers on time.


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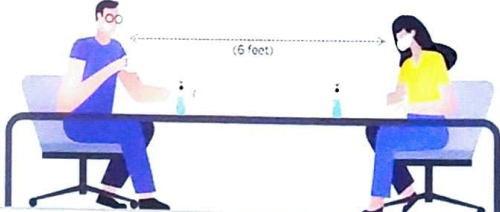


“Stop the Transmission, Crush the Pandemic”



Easy to Follow Guidelines to Prevent COVID-19

-  Wear double masks or N95 masks
-  Well-ventilated spaces decrease risk of transmission
-  Use exhaust/gable fans to ensure cross ventilation in offices
-  Maintain 6 feet distance, sanitize your hands, disinfect frequently touched surfaces
-  Saliva & nasal discharged in the form of droplets and aerosols is the primary mode of virus transmission



National Handloom Day Celebrated

Union Minister of Textiles, Commerce and Industry, Consumer Affairs and Food and Public Distribution Shri Piyush Goyal has said steps need to be taken to increase the production capacities of handloom sector from existing 60 thousand crore rupees to over one lakh 25 thousand crore rupees within three years. He added that target must be set to increase the export of handloom items from existing 2,500 crore rupees to 10,000 crore rupees in the next three years. Addressing an event on the occasion of 7th National Handloom Day in New Delhi on August 07, 2021, Shri Goyal said nation is committed to ensure sustainable development of the handloom sector thereby empowering handloom weavers and workers financially and instilling pride in their exquisite craftsmanship. The minister announced that a Committee will be constituted consisting of all weavers, trainers, equipment makers, marketing experts and other stake holders to recommend ways and means to achieve the objective and improve all round progress of handloom sector.

On that day, DPD also encouraged its officials to use handloom products.

Leveraging ICT in Rural Marketing

Aarushi Aggarwal

Given that majority of India's rural population is involved in agricultural activities, one of the two major components of rural marketing in the country is enabling the sale of agricultural products in urban areas. Understanding contemporary consumption patterns, especially in their own areas. Information and communication technology can be effectively deployed to enhance their understanding of popular food types and the ways in which they can alter their farms to produce such food types.



The profound transformational impact of technology in India can be witnessed in the country's busiest metropolitan streets to villages with less than 1,000 inhabitants. In rural India, technology has become a vessel for tremendous positive change, helping dispense crucial education to rural communities, bringing them within the folds of organised banking, healthcare and employment, and connecting them with new ideas from across the world. More importantly, technology has enabled us to better understand the people of India's villages—their structures, lifestyles, cultures, aspirations, and economic activity. The combination of the internet and mobile phones—the most widely used internet enabled device—also known as information and communication technology (ICT), is powerful

and can be leveraged to better understand and further our knowledge of India's hinterland.

Technology has played a central role in rural India since the early days of post-independence India. Radio channels across the country hosted programmes in multiple regional languages to educate farmers on the latest seeds, fertilisers and crop enhancement methods. Radio programmes also played a crucial role in dispensing information on diseases and their prevention, and other social and cultural awareness programmes. Much like Prime Minister Narendra Modi's signature 'Mann Ki Baat' radio show, the Government of India has long used the radio to enhance its outreach to rural India and bring its people into the mainstream conversations of the country. Companies, too, used the radio as a tool for rural marketing, defined as

the process of developing, pricing, promoting and distributing specific goods and services to rural customers.

Since the internet boom of the 1990s, technology has become the central character in India's growth story. In the last three decades, India has successfully fostered a culture of technology development such that today we are a major manufacturer of electronic systems and devices and can boast of a technology capital like Bengaluru. Despite the rapid advances India has and continues to make in urbanisation and industrialisation, 65 percent or 898 million¹ Indians continue live in rural areas and 54.6 percent of the total workforce is engaged in agriculture and related activities, the mainstay of rural India. Agriculture contributes to 17 percent of India's Gross Value Added (GVA) and its allied sectors like dairy farming, food processing, local textiles are an important source of income for farming communities, for revenue state governments and pride for the country at large.

At the same time, the number of internet users in rural India has grown to 293 million people or 39 percent² of the total number of internet subscribers in the country. Estimates suggest that by 2025, there will be more internet users in rural India than in the country's urban centres.³ This is due in large part to the high adoption rate through 2020. The widespread inclusion of rural India into the internet sphere has opened tremendous scope for the role of ICT in rural marketing and for bringing millions of Indians into the ever-evolving sphere of internet led growth and development.

Bringing the Mainstream to Rural India

Given that majority of India's rural population is involved in agricultural activities, one of the two major components of rural marketing in the country is enabling the sale of agricultural products in urban areas. In order to maximise sales, farmers must cater to the changing landscape of urban food consumption that is increasingly veering towards organic food types and international flavours. Understanding contemporary consumption patterns will be instrumental in meeting the needs of urban consumers and farmers must be equipped to understand these patterns, especially in their own areas. Information and communication technology can be effectively deployed to

enhancing their understanding of popular food types and the ways in which they can alter their farms to produce such food types.

The government of India, especially the Ministries of Agriculture and Farmers' Welfare and Rural Development, have taken numerous important steps towards educating farming communities on new methodologies, organic farming, and alternative farming practices that can reduce farmers' dependence on fertilisers and better the quality and health of their yield. Numerous mobile phone applications⁴ developed and managed by the government have digitised information on the various aspects of sowing, harvesting and selling produce in markets. Kisan Suvidha provides relevant information to farmers on weather patterns, dealers, market prices, agri-advisories, plant protection, and IPM practices among others. Unique features like extreme weather alerts and market prices of commodities in the nearest area and the maximum price in the state as well as India have been added to empower farmers in the best possible manner. The application AgriMarket can be used to obtain the market price of crops in the markets within 50 km of the device's location. It may also be used to obtain information on any crop and its price in any market. Digital Mandi India app helps farmers to check the latest mandi prices for agricultural commodities from different states and districts.

The MNFC app, developed by National Remote Sensing Centre, ISRO, uses satellites to collect field data for crop assessment under the FASAL project of the Ministry of Agriculture. Information thus collected on crop type, conditions, sowing date, soil type are instrumental in furthering our understanding of India's farming sector and in creating a national geospatial database of crops. Other mobile applications provide information on hailstorms, government schemes and advisories, and digitise published magazines while others cover the domains of horticulture and animal husbandry. Information and communication technology has enabled farmers to access all relevant information at the click of a button. There is tremendous potential in these systems: they give farmers more agency over their crops and produce, allow them to choose the market they want to sell at and strengthen them against the

pitfalls of adverse weather events by warning them and allowing them to make suitable preparations to minimise losses. In the near future, these systems can be leveraged to bring cutting-edge technologies to farmers especially since climate change threatens many existing agricultural practices.

Bringing Rural India into the Mainstream

The other, and recently more exciting, component of rural marketing is making manufactured products and services available in rural India. This aspect demands a deep understanding of the diverse social, economic and cultural fabric of rural India. The rapid pace of internet penetration has introduced the rural populace to exciting new innovations and products now available in urban markets and they, too, aspire to such lifestyles. Successfully altering these products to the rural landscape will be a testament to the creativity and vigour of India's frugal innovation sector that has recently met the pressing need for equipment to fight COVID-19 in the most fascinating and awe-inspiring manner. Some sectors with special potential in rural India must be highlighted here.

First, rural Indians are realising the importance of education in upward social and economic mobility. Farming families are eager to educate their children to open alternative career options for them. Therefore, education—especially online education—has tremendous potential in rural India. Ed-tech undoes the structural and circumstantial barriers that otherwise prevent children from attending schools like distance, safety, hygiene and erratic presence of teachers. At the same time, ed-tech also enables students to decide their level of education and engage with topics at their own comfort level, without having to adhere to general standards that they find unsuitable to themselves. Ed-tech platforms must, however, make their content available in vernacular languages and attune it to the social mores of rural society.

The second sector with potential is healthcare. In light of the pandemic, local communities across the world are prioritising healthcare and provision of health services. In rural India, too, there is tremendous potential to market for expanding formal health services,

establishing allopathic medicine hospitals and educating the populace on good health practices and disease prevention. Digital health, similarly, has special scope since it removes the constraints on healthcare professionals to be physically present in order to provide quality healthcare services. As more rural Indians access the internet on their phones and grow comfortable with using its many provisions, the footprint of digital health can be steadily expanded in rural marketing. It must, at the same time, be respectful of the ideas and beliefs of rural communities and cater to their needs at their convenience.

The third sector with unparalleled potential is e-commerce, a major driver of global growth and consumption. The resilience of e-commerce was put on display during the most difficult months of the pandemic through which e-commerce companies continued to serve communities with essential items despite global lockdowns and shuttered factories. To bring India's rural hinterland apace with global growth, the expansion of e-commerce platforms in these areas is undeniably important. It effectively fulfils the gap between the wants of the rural communities—especially those they cannot meet locally. E-commerce also offers, reverse benefit: it can bring goods produced in rural economies—handloom products, region specific textiles and artisanal specialties—to consumers across the country, and indeed across the globe. The government's One District One Product (ODOP) scheme aims to build this supply chain of unique products of India's districts and e-commerce has a central role in bridging the supply and demand. Since the pandemic has severely impacted tourism and brick and mortar establishments, digital retail and e-commerce can be instrumental in making rural communities more resilient and ensuring their economic security against unforeseen incidents.

Finally, technology itself holds immense opportunities for expansion in rural India. In addition to dispensing information, providing services and connecting rural manufacturers and markets to the national supply chain, ICT can provide employment to millions of rural youths who are seeking to diversify their family income. BPOs are one such form of employment generation. Companies can benefit from moving away from urban centres and into rural areas where

ambitious and skilled young persons can make for qualified employees. By taking the employment opportunity to rural areas, companies will also encourage female labour force participation which remains low in the country. ICT is also indispensable in modern warehousing facilities which are, in turn, increasingly indispensable in India (owing to the growing prominence of e-commerce). They can be a potential source of mass employment. Decentralising storage from major cities and towards tier-III and IV cities and villages will reduce time of delivery, increase efficiency and allow millions more Indians to be serviced by e-commerce. For rural Indians, such employment opportunities not only ascertain a source of income but foster a sense of security and confidence that is crucial in the development of a healthy society.

A Changing Landscape

Rural income in India comprises 46 percent of the total national income. At 890 million people, India's rural population is also the largest rural population in the world. According to a NABARD report of 2018, rural household income in 2016-17 was INR 8,931 per month.⁵ Under Prime Minister Narendra Modi's ambitious programme to Double Farmers' Income⁶ by 2022, policies have been put in place to enable steady growth in farmers' incomes that constitute 43 percent of the average income of rural households. The success of focusing on agricultural income is evident in the performance of the agricultural sector last year as it grew by 3.4 percent⁷ despite a national economic contraction. The sheer size of rural India holds a large economic opportunity for businesses. But as higher incomes and growing internet penetration converge, this economic opportunity is made larger still. Consumer products like automobiles, FMCG products and toys will find large and growing markets in rural India, provided they are suitably designed to cater to rural Indian needs. Rural marketing must, therefore,

invest in seeking to understand the rural market, consumer tastes and aspirations. Information and communication technology has enabled us to understand rural India like never before. Its use must continue to be expanded widely and rural marketing deployed responsibly to nurture the constantly changing landscape of rural India.

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(The author is Researcher, Strategic Investment Research Unit, Invest India. Views expressed are personal)

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A few common Myths

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5G mobile networks spread/transmit COVID-19

FACT

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- COVID-19 is spreading in many countries that do not have 5G mobile network.

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