



DIGITALIZATION OF AGRICULTURAL MARKETING IN KARNATAKA - OPPORTUNITIES AND CHALLENGES

Mala M

Assistant Professor, Department of Economics, Government First Grade College, Hoskote.

Abstract

Digitalization is an emerging revolution in the field of information and communication technology feasible for a nation to accomplish the goal of sustainable and inclusive growth. The Sustainable Development Goals Agenda 2030 and Millennium Development Goals envisage digitalization of the economy in all sectors to achieve social and economic inclusion in the economy. Digital marketing in the present scenario plays a vital role in order to bring efficiency, transparency, accountability, participatory, responsiveness to enhance the productivity of the farmers and profit to the sellers in an economy. Digitalization ensures real-time information, transparency in transactions, immediate online payment, simple, easier way of communication helps different stakeholders to save time, unnecessary expenditure and waste of time, middleman intervention, and delays in payment issues. Digitalization of agricultural marketing brings all the stakeholders in a common platform where social and economic inclusion will happen no one left behind in the entire marketing process. The paper attempts to analyze the opportunities and challenges faced in a new way of digital revolution in the agricultural marketing field in the research area.

Key words: *Digitalization, Agricultural Marketing, Social And Economic Inclusion, Opportunities And Challenges.*

Introduction

Digitalization is an emerging revolution in the field of information and communication technology feasible for a nation to accomplish the goal of sustainable and inclusive growth. The Sustainable Development Goals Agenda 2030 envisages the digitalization of the economy in all sectors to achieve the social and economic inclusion of an economy. Digital marketing in the present scenario plays a vital role in order to bring efficiency, transparency, accountability, participatory, responsiveness enhancing the productivity of the farmers and profit to the sellers in an economy. Digitalization ensures real-time information, transparency in transactions, immediate online payment, simple, easier way of communication helps different stakeholders to save time, unnecessary expenditure and waste of time, middleman intervention, and delays in payment issues. Digitalization of agricultural marketing brings all the stakeholders in a common platform where social and economic inclusion will happen no one left behind in the entire marketing process.

Objectives

1. To study the digital agricultural marketing impacts on the farmers and sellers in the study area.
2. To analyze the opportunities and challenges faced by different stakeholders in the digital agricultural marketing world.

Review of literature

Kahkashan qyoom and Shaista (manzoor)(2022)Digital agricultural:-an emerging approach towards sustainability in agriculture and rural development An analytical study: - flows under emergency of IT in rural development targeted on the agricultural sector. The farmer needs timely information on weather, factory inputs, (in the production process), and market insights to attend



higher production and income to attend food security and substantial production the former need help in getting information attributed, funds, fertilizer, insecticide, and pesticides, weather, Water facility, market price etc... the digital agricultural will enhance information accuracy and technology and hold will reduce the cost (cost-effective) and can achieve sustainable production.

The research paper strongly focused on the profitability and usefulness of productions of digitalization in the agricultural and real development of the government's initiatives such as farmer's agricultural portal.

DBT launched in 2013, government monetary transactions have transferred the beginners e-NAM also another search example where all mandis throughout India are integrated, where farmers can see these foot crops online mode without any distributions from middleman or brokers.

Nidhi Yadav(2010)- A descriptive study named "**Agricultural Marketing and E-governance strategies to meet the challenges in the 21st century**". It focuses on the relevance of E-governance in agricultural marketing in the modern world as it is shifted towards agri-business. An efficient credit and marketing system needs E-governance which farmers benefit. The research paper states that through E-governance non-profit, government, and private sector entities have no restrictions on the boundaries that can share information and marketing where farmers and consumers benefit. The clear picture related to marketing conditions in the present scenario, problems, legal issues, and business is explained.

Dr.Mir Mohammed Azad, Atikel Islam Liton, Mohammed Naseer .K: An analytical study named **The ICT in the agricultural development of Bangladesh** highlights the role of ICT in the agricultural development of Bangladesh. The ICT here refers to the Radio, TV, mobile phones, internet, and telephone information on agricultural and extension activities that are gathered and disseminated to the target group of stakeholders like farmers, Industrialists, traders, policymakers, etc. The government has initiated a task force project as the e-governance initiative in the marketing sector by computerizing the prices of commodities gathered at the local level and regulating market prices in real-time to the farmers, and traders. and public policy. This may help the farmers to sell their products at a reasonable price, utilizing the information through mobile phones and information/tele centers established by the government of Bangladesh.

A.Amarenderreddy(2020):An empirical study named "Impact of E-market in Karnataka, India studies on the e-market(E-mandis) role in enhancing better prices to farmers, transparency from different stakeholders confined to the groundnut food crops of 16 E-markets and non-E-markets in Karnataka. The paper highlights the comparative analysis of E-markets and non-E-markets and evidence to prove that the farmers benefit from better prices, transparency, and extending warehousing facilities sale at a very short period of time through online bids. The paper focuses on the process of online trading beneficial to the economy as a whole in bringing together all stakeholders like farmers, commission agents, and traders in a single platform to enable justice and avoid inconvenience, and collusion among traders in the online market. The paper also suggests that network connectivity, skill-based training to officials, awareness among all stakeholders on digital literacy, and policy strategies for inclusive participation of all.



Research questions

Digital agricultural marketing will bring economic and social inclusion in the study area.

Scope of the study

The study has been related to Digital agricultural marketing in Karnataka and confined to agricultural marketing challenges and opportunities.

Methodology

The secondary sources of data are collected from the various sources for the research work. The secondary sources of information are gathered from sources such as journals, magazines, periodicals, newspapers, and website sources.

Hypothesis

Digital marketing will enhance farmers' income, and benefit the sellers and different stakeholders in the study area.

Digital agricultural marketing in Karnataka

The concept of marketing agricultural products is as old as civilization originated. Earlier barter system was practiced in society to satisfy their unlimited wants with limited available resources. The concept of origin of money paved the way for the buying and selling of goods and services, where buyers and sellers meet in a single place and exchange the goods by fixing the value of the product. The village is the center place for growing agricultural products where the food productions were bought and sold in a particular place known as santhe, mandi, etc. The buyers used to purchase the commodities and the middlemen bought from the farmers at a very low price and sold the product in towns and cities at a higher price. The middlemen without any effort get the profit in the market, the farmers and the consumers are the real sufferers in the transaction process. The continuous exploitation of middlemen, unfair prices to the farmer's product, rural in debt, lack of proper storage facilities, warehousing facilities, unawareness about the quality of the product and prices, lack of infrastructure facilities, do not wait for the better prices by the farmers leads to the introducing digitalization of the agricultural marketing in the economy.

Development of digital agricultural marketing in Karnataka

The major stepping stone in the reformation of agricultural marketing was reflected in 1966 when the government of Karnataka passed an act known as the Karnataka Agricultural Produce Marketing Act. The loopholes in the existing agricultural marketing system were rectified and reformative measures were initiated. The structural adjustment and macroeconomic stabilization measures adopted during the 1990s and the WTO agreements are responsible for the opening up of the agricultural sector to the global market.

The information and communication technology adoption in different segments of the economy has resulted in transparency, efficiency, responsiveness, and accountability to the government to rethink introducing an online platform for agricultural produce. Initially in order to facilitate e-tendering the government of Karnataka amended the Karnataka Agricultural Produce Marketing Act of 1966 in the year 2007. In the next step to digitalize the entire agricultural marketing system in Karnataka an agricultural marketing policy was enacted in 2013 and established Rashtriya e-market services (ReMS) in collaboration with the private agency named NCDEX Market Limited in 2014. The ReMS was established with the slogan of "Any time anywhere" and integrated 13 markets (APMC) in the



state in a single platform for online trading purposes. Presently 162 markets (APMC) are merged in a unified market platform in which the farmers, traders, commission agents, and agricultural committees are registered successfully working and model to all state governments and also inspired by the central government to initiate-NAM in the country.

Present status of Online marketing in Karnataka

Number of APMC markets	162
Number of sub markets	354
Number of farmers registered	153 lakh
Number of traders	34.473
Number of commission agents	17.149
Number of notified commodities	92
Agricultural commodities transacted	627 lakh tonnes

Source: website

The online agricultural marketing assisted different stakeholders gathered together in a single unified platform with mutual correspondence benefitted all. The government intention is to bring about an efficient, effective, transparent, responsive, accountable, and participatory approach in the marketing field. Digitalization helps the farmers to sell their product at a better price and all kinds of facilities will be provided by the whole mechanism till the disposal of the product. The grading of the product, assaying, weighing, maintenance of standards, transparency, online payments, real-time information, and daily updates through sending messages and alerts enable all the stakeholders to get maximum profit.

Opportunities

1. The farmers are exposed to the global marketing scenario, if the quality of the product is maintained to the international standard, recognition, and demand for their products are enhanced.
2. The digitalization of an agricultural market creates awareness among the farmers, updated information technology, and a new way of innovation inspiring them to undertake a new method of cultivation and good practices in the agricultural sector.
3. The communicative information indirectly promotes the development of agro-based industries.
4. The digital payment, real-time information better prices for their product, waiting time, warehousing, and cold storage facilities, daily updates through messages and alerts ensure the farmers get good profits from their product.
5. The national and international market connectivity induced them to produce quality, market-demanded products, and agriculture also became a profit-oriented activity.
6. The governmental intervention in the digital market ensures security, confidence, and trust among the different stakeholders and even minimum support price, and procurement price will avoid malpractice issues in the market.

Challenges

1. Lack of digital literacy and education among the rural farmers who hesitate to adopt new technology in the marketing field is the biggest challenge to remove the digital divide in the society.
2. In the ReMS registration most of the small and marginal landless farmers, and leased landholders are not able to register because they have to upload land registration certificates.



3. Lack of internet connectivity, data availability, Smartphone accessibility, and rural poverty, indebt causes exclusion from the online stream.
4. The existence of digital infrastructure, user-friendly communication services, and updated web portals in providing real-time information to the different stakeholders and maintenance of that quality is the biggest challenge for the success of online marketing.
5. The traditional, age-old rural population sells their products to locally available middlemen to repay loans and have long-term relationships with them.
6. The unawareness about new marketing services, policies of the government and strategies among farmers lead to selling their products in the local market to the middlemen.
7. The traders also face problems in the online market such as lack of grading of the product, lack of loan facility and banking facility, sometimes low-quality products come to the market, the existence of GST, etc.
8. The market committee also faces the problem when farmers do not register and enter the market, difficult for them to bring inclusion in society.

Conclusion

Digitalization of agricultural marketing ensures all the stakeholders in a single platform enabling them to maximize their intention and encourage them to continue, to sustain the occupation in the near future. The marketing turnover is enhanced. Profits to farmers, sellers, commission agents and automatically raise the gross domestic product to the state. Online trading is a stepping stone for the different stakeholders to be exposed and an inducement to participate in the global market scenario.

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