

### Introduction

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 this product or service maybe anywhere.

### Challenges in Rural Product Marketing

- **Low Landholding leading to Lower Scale of Production:** The average landholding size per household is very low. This results into the low level surplus production and hence selling it at a remunerative price becomes a challenge.
- Low availability of electricity which forms the foundation for carrying out a wide range of economic activities in rural areas including farming, small scale manufacturing, cottage industries, food pushing and a host of services.
- **Seasonal Production:** Seasonality of agriculture and allied produce creates gluts between harvest seasons and inconsistency during lean seasons, thus affecting consistency in supply.
- **Low Demand in Rural Areas:** Due to seasonality associated with agri-income, demand for rural product may not be stable or regular.
- **Scattered Production Centres:** Rural production centres are highly dispersed and require a lot of effort on aggregation, organization, and communication among stakeholders.
- **Limited Access to Remunerative Markets in Urban Areas:** Due to lack of information about the militant market, perishable nature of produce and non-availability of low-cost storage facility in nearby region, rural producers have to rely on various intermediaries for selling their produce for consumption by the urban market. They tend to pass on the cost to consumers or offer a lower price to farmers.
- **Transportation & Warehousing:** Agricultural and horticultural produce requires faster and efficient transport, storage, and even processing to retain freshness and other qualitative aspects. Also, year-round connectivity and transport is essential for rural products to reach consumer markets. Though the quality of roads and the connectivity to villages is improving, there is still a significant disparity on this front across regions of our country. Most marketers use tractors and bullock carts to distribute their products. Warehousing is another major problem in rural areas, as there is hardly any organized agency to look after the storage issue. The services rendered by Central Warehousing Corporation and State Warehousing Corporation is primarily available only in urban and semiurban areas.
- **Ineffective Distribution Channels:** Presently there are a large number of intermediaries, which in turn increases the cost of transportation and also create administrative problems due to poor communication and coordination. Due to lack of infrastructure, producers have no option but to depend on these agencies for selling their products.
- **Lack of Awareness and Literacy about Remunerative Market:** Limited use of digital technology, access to internet through broadband, government schemes and incentives including access to cheap financing options is another constraint.
- Diversity in languages and culture also limits rural sellers to operate in all markets.

- Changing customer preferences and taste is also another critical aspect of marketing. Information about products, prices, consumer preferences, market environment, competitors, alternative and substitute products is essential.

### Suggestions

- **Emphasis on Aggregation:** SHG's, Farmer Producer Organizations (FPOs), Cooperatives etc., can make aggregation cost-effective. Govt is also promoting such institutions. The market can invest in awareness generation among rural producers for setting up of such organisations. Location specific multimodal transportation can play an important role in aggregation.
- **Creating Localized Market through Rural Marts:** Setting up rural marts which also happened to be a market for rural products has become popular in Andhra Pradesh and Karnataka where in the rural producers come every day and sell their products on their own in the specified stalls.
- **Promoting Collaboration with Commercial Organisations:** In addition to the demand driven collaborations between large commercial institutions and rural enterprises, incentive driven collaborations shall be promoted so that more such capable institutions foray into rural product marketing. The incentives could be in the form of lower interest rates, exemption of certain taxes, consideration of some portion of CSR funds investment, etc.
- **Emphasis on New Product Development:** Depending upon the taste of the customers, emphasis must be given on developing new technologies and creating a diversified portfolio of rural products. Use of technology to convert non-usable agri-waste into aesthetically appealing products such as handicrafts, developing a sustainable and environment friendly packaging materials etc., is useful for product marketing. However it shall also be based on thorough market research so that such initiatives are sustainable.
- **Skill Development:** Educational institutions and universities imparting business management education can be roped in for providing well-trained, relatively low-cost, and attitudinal and aligned workforce to organisations and further improve the viability of rural product manufacturing and marketing. This training should also focus on online and digital marketing as this will help develop their capabilities to explore markets beyond the regions.
- **Communication and Promotion of Rural Products:** All channels of communication and promotion viz. TV, FM radio, cinema and point of purchase advertising, audio-visual publicity events like Melas, festivals, etc., may be used depending upon the target segment. Use of local language should also be specific to region. With the rise in smartphones and internet penetration in India, platforms like LinkedIn, Facebook, Twitter, WhatsApp, and other media portals can also be exploited for the same.
- Digital and online marketing platforms should also be immensely leveraged as they provide benefits in terms of reach to customers across the globe. E-commerce platforms fulfil the gap between the wants of rural communities – especially those they cannot meet locally. E-commerce also offers reverse benefit by bringing goods produced in real economies to consumers across the country and across the globe. The governments 'One District One Product' scheme aims to build the supply chain of unique products of India's districts and e-commerce has a central role in bridging the supply and demand.
- Direct marketing for rural products using SHGs and community-based enterprises may help in the growth of market for rural products. Adequate training is more important to handle the activities like door-to-door sampling, marketing, and product promotion in a culturally sensitive manner.

- **Good Branding:** Branding like FMCG products is important to attract and retain customers.

### Rural Product Marketing Strategies

- **Product Strategy:** The rural consumer is very conscious about getting “value for money”. A low price, high-quality and multiple uses are some of the basic considerations for rural products. For example, during Covid 19 pandemic, many jaggery manufacturers in Bihar, Karnataka and Tamil Nadu mixed ginger and sold it as a remedial measure for COVID-19. Based on product features and target segment, it should be packaged taking to consideration of affordability, ability to differentiate, convenience of usage, product appeal, product protection of products and aesthetics.
- **Strategy:** An optimum pricing strategy should be followed.
- **Promotion Strategy:** The challenge lies in creating national brands, logos, visuals and colours.
- **Product Placement and Distribution Strategy:** Physical collection, distribution, managing logistics and controlling marketing communication are major impediments for marketing of rural products. In addition to the traditional sales points such as retail outlets, fairs, etc., marketers should play a lot of emphasis on collaborating with public distribution system particularly in rural areas. Rural shopping malls or Rural Mart could also be useful in selling goods to the rural communities in addition to their farm and non-farm produce.

### Brand Management in Rural Products

- **Challenges**
  - ✓ **Deprived Markets and Deprived People in Rural Areas:** Most of the rural population is under poverty line and the markets are undeveloped. The customers are affiliated more to traditional products than brand products.
  - ✓ **Multilinguistic Customer Base:** Indian rural market has many languages and dialects creating a barrier for communication.
  - ✓ **Low literacy:** The print media becomes ineffective and irrelevant due to low literacy. Illiterate customers can hardly recognize the spurious brands in local market.
  - ✓ **Difficulty in understanding brand as an asset.**
  - ✓ **Maintaining Relevancy and Consistency:** Most of the rural products are nature dependent. Hence branding must be approached proactively and holistically. Sometimes it is difficult to address the negative response of customers and maintain enough energy to deal with these responses.
  - ✓ **Branding is costly.**
- **Suggestions**
  - ✓ **Geographical Indication (GI) tag:** Sign on the products with a specific geographical origin promotes rural products based on quality and reputation.
  - ✓ **Creating Brand Ambassadors by The Government** – Unlike other FMCG products, to promote branding in agriculture, the government should utilize the top government officials and ministers as brand ambassador. The GI tags, nutrients and quality parameters may be used as a special feature of the products. Further, appointing the local celebrities as brand ambassadors to promote products was found successful in states like Karnataka where in the brand ‘Nandini’ of Karnataka Milk Federation has received highest popularity in the state. The successful models like “hub and spoke” model of Coca-Cola, “Project Shakti” of HUL, “Utsav” campaign by Asian paints may be adopted by the marketing of rural products.

- ✓ **Highlighting The Product Features:** Creating awareness about features like organic nature, nutrition, origin – like Madhubani painting, Alphonso mango, litchi honey, etc.

### WHY SHOULD COOPERATIVE ORGANISATIONS BE PROMOTED IN RURAL MARKETING?

- **Handling Marketable Surplus:** Collectives, SHGs, cooperatives and FPOs have the potential to effectively handle and manage marketable surplus of agriculture and allied produce by creating markets, exploring existing rural and urban markets, and developing market infrastructure for the common good. The improper monetization of agri-surplus has been due to lack of demand in the nearby regulated and unregulated rural and agricultural markets. This is because 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.
- **Technology and Innovation:** Collectors of the modern times can take advantage of digital revolution. The support infrastructure for innovative start-ups shall be ensured by encouraging community owned enterprises in facilitating collateral free loans, making available growth capital, getting relaxation in taxation and investments, etc.
- **Creating Marketing Channels:** Collective assets can create competitive marketing channels through the existing network of SHGs/FPOs/cooperatives in rural areas for agriculture and allied products. This would reduce dependency on wholesale markets – APMC Mandis and unorganized rural periodical markets – village agricultural markets.
- **Inviting Investments:** Collective can tie up with national and global entrepreneurs and angel investors, and open ways and means to incentivize private as well as cooperative sectors to make investments for creating modern markets and for insuring a feasible and transparent marketing environment at the grassroots. Collectives can take benefits of the collective financial strength and promote plus financing and market access without depending on the outside agencies. The collectives can ensure collective participation through contract farming, land leasing agreements and community marketing which can facilitate accelerated technology transfer, capital inflow and assured markets for agricultural produce. Since agri-markets are largely bio-driven and vertically integrated, contract farming through community-based farmer cooperatives would offer the best possible income stream to the farmers by reducing labour related costs, cost of other inputs, technology, and innovation.
- **Awareness on Marketability:** Collectivization of farmers and mobilising them to constitute a few/cooperatives benefit them by helping them to understand the collective power for higher price discovery.
- **Storage Capacity Constraints:** The community can better assess the storage capacity needs of the locality and helps in meeting the gap by investing in creation/expansion of storage capacity.

One of the few extremely successful models of farmer linkage to markets is the Gujarat Cooperative Milk Marketing Federation (GCMMF), the farmers largely take care of milk production, which is the strength while marketing is left to professionals.

**WHAT STEPS HAVE BEEN TAKEN BY THE GOVERNMENT TO FACILITATE RURAL MARKETING?****General Infrastructure**

- Prime Minister Gram Sadak Yojana (PMGSY) is an important programme of the GoI, implemented with contribution from State Governments, with objective of providing rural connectivity through roads.
- Investment in rural electrification is currently underway through two schemes – the **Deen Dayal Upadhyaya 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 activation targets of the erstwhile Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY). This helps in meeting agricultural as well as household demands during peak hours.

**Physical Infrastructure**

1. **Integrated Scheme for Agricultural Marketing (ISAM)**: It is envisaged that as a subsidy of 33.33% of capital investments in warehousing, cold storage, primary processing, refrigerated vans, quality testing, grading, sorting, and packaging and so on, subject to a ceiling on the subsidy amount. The scope of the scheme has been extended to allied sectors such as livestock, poultry, and forest produce.

**Objectives**

- ✓ To promote creation of agricultural marketing infrastructure by providing bank and subsidy support to state, cooperative and private sector investments.
- ✓ To promote creation of scientific storage capacity and to promote plus 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 nationwide information network system for speedy collection and dissemination of market information and data on arrivals and prices for its efficient and timely utilization by farmers and other stakeholders.
- ✓ To support framing of great standards and quality certification of agricultural commodities to help farmers get better remunerative prices.
- ✓ To catalyse private investment in setting up of agribusiness projects and thereby provide national market to producers and strengthen backward linkages of agribusiness projects with producers and their groups.
- ✓ To undertake and promote training, research, education, extension and consultancy and agri-marketing sector.
- ✓ To establish a national unified agricultural market through e-NAM.

**Sub-schemes of ISAM**

- **Marketing Research and Information Network (MRIN)**: Mandi price and arrival data is captured through the AGMARKNET portal and disseminated through various modes such as DD Kisan and Kisan Call Centre on daily basis to farmers.
- **Strengthening of Agmark Grading Facilities (SAGF)**: It supports framing of great standards and quality certification of agricultural commodities to help farmers get better prices for their produce.
- **Venture Capital Assistance Scheme (VCA)** is being implemented through Small Farmers Agribusiness Consortium (SFAC).

- In order to promote National Agriculture Market by integrating the physical regulated wholesale markets where national platform for providing transparent quality best price discovery system, the trading platform national agriculture market (e-NAM) platform has been launched which helps in shortening the intermediation for agriculture and horticulture produce through inter-Mandi and inter-state trade.
- 2. **Transforming Rural Haats to Gramin Agricultural Markets (GrAMs):** The government has approved Agri-Market Infrastructure Fund (AMIF) of Rs.2000 crore with NABARD for availing of assistance by states/union territories for development of marketing infrastructure in GrAMs and APMC markets. The scheme will develop retail markets near the rural periodic markets or haats, which should also serve the purpose of aggregation and turn into feeder markets for APMCs. The GrAMs would be developed as hubs for aggregation, logistics, preconditioning, transport, and local retail, and eventually connect to e-NAM, or to primary or secondary wholesale markets call to export markets.
  - Agriculture Infrastructure Fund (AIF) to provide financial support 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, etc. is being provided by the government.
  - **Rashtriya Krishi Vikas Yojana – Remunerative Approaches for Agriculture and Allied Sector Rejuvenation(RKVY-RAFTAAR)** is another scheme for promoting storage facilities.
  - More warehouses are being built for procurement purpose and for agricultural industry through agencies such as FCI and central warehouse Corporation CWC.
  - In case of non-agricultural or artisanal products, the government has schemes that facilitates marketing support by encouraging participation in craft fairs and melas. Assistance is provided in organizing Gandhi Shilp Bazaar (GSB) or craft bazaars, exhibitions, national handicrafts fair, or participating in such events.

### Digital Infrastructure

- Gol launched the National Optic Fibre Network in 2011, renamed as **BharatNet** project in 2015. This initiative is the world's largest rural broadband connectivity project and is being implemented by Bharat Broadband Network Ltd. Gram panchayats connected by broadband can enable e-banking, e-healthcare, e-commerce, and education.
- Kisan Suvidha provides relevant information to farmers on weather patterns, dealers, market prices, agree advisories, plant protection, and IPM practices among others.
- The application **Agri-Market** can be used to obtain the market price of crops in the markets within 50 km of the devices location. It can 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 MNFCF app developed by the National Remote Sensing Centre, ISRO, uses satellites to collect field data for crop assessment under the FASAL project of the Ministry of Agriculture. Information collected on crop type, conditions, sowing date, soil types are instrumental in furthering understanding of India's farming sector and creating a national geospatial database of crops.
- **Connectivity to Markets**
  - National Institute of Rural Development and Panchayati Raj (NIRDPR) Delhi set up its marketing division in 1989 to provide sustainable market linkages to rural producers covered under various income generation schemes of the Ministry of Rural Development, Gol.
  - The **SARAS Mela** is a unique initiative of the Ministry of Rural Development, under the Deen Dayal Antyodaya Yojana – National Rural Livelihoods Mission (DAY-NRLM) to bring 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.

- **SARAS on GeM:** In 2020, the commerce ministry's public procurement portal GEM started initiatives – the service collection – for rural SHG's, wherein they could display their products on the platform for government buyers.
- An Online Mela Software (OMS) was developed by the NIC to automate the NRLM Aajeevika activity for participation, stall distribution, and sales recording, etc. As part of State Rural Livelihood Mission (SRLM), some states have started e-commerce websites and apps for online shopping. E.g..Jharkhand has a mobile app called **Palashmart**, available on Google play store.
- To develop a scalable model capable of on boarding a large number of SHGs across the country in a short time frame, GEM has developed an API-based integration mechanism with NRLM 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.
- **Kisan Rath Mobile App:** Launched in 2020 by Ministry of Agriculture and Farmers Welfare, it is a farmer friendly application to facilitate farmers in finding suitable transport vehicles for transportation of agriculture and horticulture produce.
- **E-NAM:** Launched in 2016, the objective of the scheme is to create online transparent competitive bidding system to facilitate farmers with remunerative prices for their produce. It is a virtual platform integrating physical wholesale mandis/markets of different states/UTs to facilitate online trading of agricultural commodities through transparent price discovery method. It also promotes prices commensurate with the quality of the produce.

Three reforms are mandatory for states/duties in the respective APMC acts for integrating their Monday's with e-NAM platform – provision for a trading, single point levy of market fee, unified single trading license for the state.

Various facilities like free registration, integration with AGMARKNET platform to access prevailing commodity prices and arrival information of e-NAM Mandi as well as non- e-NAM Mandi on one e-NAM mobile app prior to going to the Mandi, online payments, FPO trading modules whereby FPOs can trade their produce from the collection centre/premise without bringing it to APMC, warehouse-based training modules to facilitate trade from warehouses based on e-NWR, GPS-based e-NAM Mandi locator to locate nearby e-NAM mandis through e-NAM mobile app is available.

e-NAM portal is available even in regional languages to facilitate the farmers.

#### **Beyond APMC Mandis**

- The Agricultural Produce and Livestock Marketing (Promotion and Facilitation) Act ,2017 also known as Model APLM Act,2017 promotes alternative marketing channels of private markets, direct marketing etc. to enable farmers get better remunerative prices.
- The State/UT Agricultural Produce and Livestock Contract Farming And Services (Promotion And Facilitation Act) 2018 was formulated and covers the entire value and supply chain from production to post harvest marketing including services contract for agricultural produce and livestock.
- For implementing “One India One Agriculture Market”, the 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 Essential Commodities

(Amendment) Act 2020 to improve the ecosystem where market usage and buyers enjoy the freedom of choice.

### Skill Development and Organisations

- The **Pradhan Mantri Kaushal Vikas Yojana (PMKVY)** is a scheme that aims at development of skills and entrepreneurship, promotion of apprenticeship training, skill acquisition and knowledge awareness for livelihood promotion, skill strengthening for industrial value enhancement.
- The government has approved and launched the Central Sector Scheme of formation and promotion of 10,000 FPOs by 2027–28. This is based on Produce Cluster Area approach and specialized commodity-based approach focusing on “One District One Product” for development of product specialization.
- The Ministry of Textiles has started the **Shashaktikaran Yojana** that focuses on developing SHGs, cooperatives and clusters where artisans are located. National Handloom Development Programme and National Handicraft Development Programme and also being run by the Central Government.

### Support for Marketing of Allied Products

- In order to promote organic products, a dedicated information and marketing web portal [www.Jaivikkheti.in](http://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 the products.
- The government is also providing marketing facilities under the schemes of **Parampara Gat Krishi Vikas Yojana (PKVY)** and **Mission Organic Value Chain Development for North-Eastern Region (MOVCDNER)**.
- **Institutional Support for Marketing And Development of Tribal Products/Produce** – The Ministry of Tribal Affairs provides funds to TRIFED for marketing of tribal products by empaneled tribal suppliers comprising individual tribal artisans, tribal SHG's, organisations/agencies/NGOs working with tribals, etc. under the scheme. TRIFED is also engaged in direct sale of tribal products, including art and craft items through its network of tribes India showrooms, exhibitions, Aadi Mahotsav.

The Ministry of tribal affairs is implementing schemes ‘Mechanism for Marketing of Minor Forest Produce MFP through MSP and Development of Value Chain for MFP’, ‘Institutional Support for Development and Marketing of Tribal Produce’ and “Equity Support to National Scheduled Tribes 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 middlemen by providing MSP to MFPs.

- For handloom weavers, steps have been taken to on-board weavers on GeM to enable them to sell their products directly to various government departments and organisations. To promote marketing of handloom products, Handloom Export Promotion Council (HEPC) has been organizing international fairs in virtual mode.
- Mission for Integrated Development of Horticulture and Pradhan Mantri Kisan SAMPADA Yojana (Scheme for Agro-Marine Processing and Development of Agro -processing clusters) is a comprehensive scheme that provides for creating modern infrastructure with robust supply chain management from farm gate to retail outlet.

- **Prime Minister Gati Shakti** – The scheme of more than Rs.100 lakh crore will create new employment opportunities.

- **SVAMITVA** Yojana for rural India is helping rural citizens to map their land and apply for various schemes/loans online.
- To Link Street vendors to the banking system – **SVANidhi** scheme
- Aatma Nirbhar Bharat – Agriculture is the recent intervention which includes comprehensive's market reforms and creation of Agriculture Infrastructure Fund (AIF) worth Rs.1lakh crores.

## Why Is Communication Strategy Important In Rural Marketing

### Introduction

The biggest challenge in rural markets is organization and sanitation. 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, media, caste, and religion, etc.

Rural consumers need to take utmost care with respect to price, quantity, quality, on a fasting date, expiry date, etc., while purchasing essential commodities in the rural market.

### Aim

The communication strategy should be aimed at better management of traditional markets with a name to:

- Providing legal certainty for traditional market operators,
- Realising order, security, cleanliness, and comfort of traditional markets,
- Relating in organizing the existence and establish meant of traditional markets,
- Providing business guidance and protection to traditional markets, and
- The implementation of prosperity among traditional market business actors.

### Rural Communication Strategy

- Two essential aspects have been traditionally collected in rural markets – sanitization and organization, and B2B (Business to Business) and B2C (Business to Consumer) 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. There should be 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 four Ps (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 system/links upgrade, and financial constraints which are significant in affecting factors in the application of social media as an advertising and communication tool among SMEs in developing economies. The main challenge lies in preparing ICT structures by SHG groups and rural entrepreneurs, internal changes like personal 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 popularity of internet infrastructure are not the same in rural and urban areas.
- Word of mouth plays an important role in rural marketing. Entrepreneurs need to be involved in creating products that are relevant to the needs. Money is of prime importance for rural customers, therefore pricing

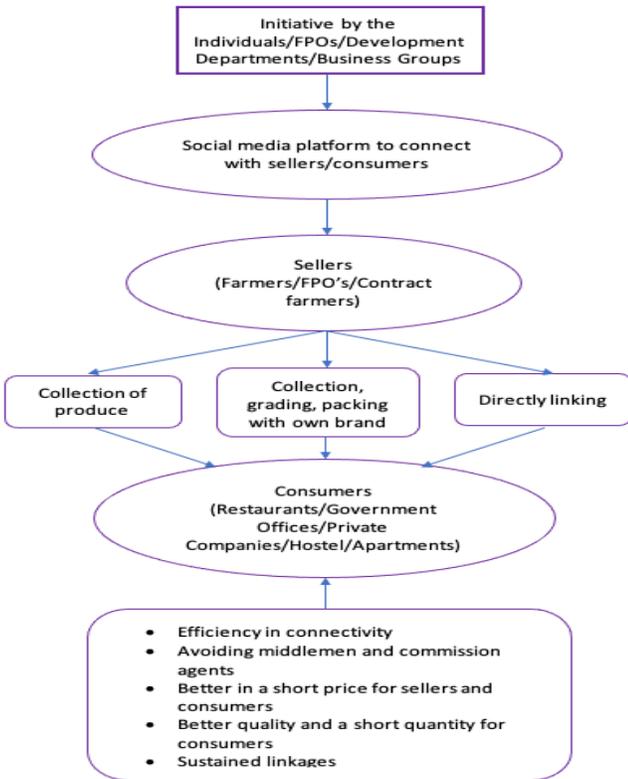
should be affordable. Since rural customers understand symbols and colours better, advertisement of products shall be in a way that the rural customers can remember a brand.

- Local content is defined by geographic location, language, culture: and content that is socially, culturally, economically, and politically relevant to a given society. To proliferate as a success, there is a need for documentation. Content can then be contextualized by ICT project based on community information needs.

**Conclusion**

Effective use of media channels and training and capacity building is required to effectively promote rural markets. Technical sessions and recurring training sessions for the entrepreneurs in the critical stages of building up and businesses are required. According to the theory of planned behaviour, two components remain the adopters behaviour – perceived self-efficacy and perceived controllability. Education can increase self-efficacy. The provision of marketing function will lead to greater perceived controllability as it will likely address the various sections external factors like unavailability of inputs, unavailability of credit, and availability of markets, which might stop the rural entrepreneurs from adopting an innovation.

**Strategic Model for Marketing of Horticultural Produce during Pandemic Situations**



**HOPCOMS model Karnataka:** The Horticultural Producers Marketing And Processing Cooperative Society Ltd. (HOPCOMS) , the marketing wing of Department of Horticulture Govt. of Karnataka, is involved in procurement and marketing of horticultural products by member farmers of the society. During Covid 19 pandemic, it issued a special passes for marketing. The farmers who got the special passes, supplied fruits and vegetables to HOPCOMS, which in turn supplied these products to government and private institutions.

**Karnataka State Mango Development and Marketing Corporation Ltd. :** It acted as a development department towards promotion of mango development and marketing activities through various schemes of the state. Through the B2C portal maintained by the Board, the consumers registered and placed order by online payment mode. The mangoes supplied by the farmers, well packaged, were distributed by the board through General Post Office of Bengaluru. The board is also planning to tie-up with Flipkart for marketing of mangoes.

**Initiatives by Farmer Producer Organisations (FPOs)**

- Puthari FPO, Kodagu, Karnataka** – It is providing diversified services to the farmers members in Kodagu district of Karnataka. The Krishi Vigyan Kendra, Kodagu, Karnataka extends technological backstopping to the FPO for its service to the farmer members and also provide space for doing business activities in agriculture. Contract

farming and establishing an exclusive rural mart at Krishi Vigyan Kendra are the innovations that emanated from this model. This helped address the suffering from lack of fruits and vegetables in Kodagu district.

- **Palamaner FPO, Andhra Pradesh** –is serving its producer members of Palamaner taluka of Andhra Pradesh through extension services such as supply of inputs – (seeds, planting material, fertilisers, plant protection chemicals, and implements) and procurement and marketing of produces etc. The FPO collected indent from companies who supplied vegetables to the FPO which was procured, graded, packed and supplied to identified companies at better remunerative prices. Vegetable growers also benefited through interest-free Covid loans arranged by the FPO from financial organisations. The FPO is also planning to establish primary processing centre and buying air-conditioned vegetable vending vans under **Operation Greens Project** of the Govt.

### Initiatives by Voluntary Associations

**University of Agricultural Sciences (UAS) Alumni Association Model**, Bangalore, Karnataka - it was started to cater to the technological backstopping needs of officials of development departments, farmers and other stakeholders by organising scientific forums, dialogues, lectures and other such events. They made a press release through newspapers and electronic media about direct marketing of products to consumers in public layouts and apartments and also arranged for supply of the same which has benefited both farmers and consumers.

### Models Initiated by Private Players

- **TENESIRI vegetables, Karnataka** – it is a private initiative to link the sellers buyers and consumers of vegetables through its specially developed mobile apps. It helps in collecting orders from both buyers and consumers and informing the demand to the sellers. The commercial vegetable growers are linked by B2C model of the app, whereas organic vegetable growers link through B2B model of the app. During the pandemic, the automation has many vegetable growers, who registered through the app to sell their produce without any problem.
- **Shenoy fruits Karnataka** – it is a private venture, which operates as wholesale business organisation for procurement of fruits for registered farmers and FPO's. It structures produce of the registered farmers and supplies to the retailers for further sale, with the help of cold chain operators.
- **Village Story Karnataka** – Village Story is yet another private initiative to unite farmers, buyers and consumers. The initiative has its own Facebook, WhatsApp and Instagram page, which has including different stakeholders of agriculture as clients. They interact amongst themselves based on their business interest and needs, and thereby, benefit each other mutually, through the transactions.

## PANCHAYATI RAJ: PRESENT STATUS and FUTURE PROSPECTS

### History

- During Mughal era, panchayats were Control bodies, mainly for collecting taxes for them. During British rule, various commissions, like Royal commission, Simon commission etc., recommended the dissemination of powers to local bodies. However, local self-governments were always under the control of state authorities.
- Mahatma Gandhi was the first to advocate devolution of power to villages to achieve Swaraj or self-governance. But Dr.Ambedkar believed that village panchayats had little chance of success because of being caste ridden. Therefore, while framing the Indian constitution, the village panchayats were placed under Directive Principles for the States 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 organized effort to tackle rural governance was made through Community Development Program in 1952 with an objective of bringing socio-economic development to the rural masses and democratic lines. It failed due to absence of any effective instruments of people's participation.
- A number of committees were appointed by GOI to study the self-government at 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,
  - ✓ GVK Rao committee 1985 advised that elections to local governments be conducted regularly,
  - ✓ LM Singhvi committee 1986 emphasized the need for constitutional recognition of local self-government.
- **73<sup>rd</sup> Constitutional Amendment, 1992:** It added part IX to the Constitution, the panchayats and 11<sup>th</sup> schedule which contains 29 functional items of panchayats. It contains provision for reservation of seats for women and weaker sections, regular flow of funds to State Finance Commission and periodical conduct of elections by State Election Commission.
- **Representation of Women in Panchayats:** Article 243D of the Constitution mandates that not less than one-third of the seat at all levels of Panchayat shall be reserved for women. 20 states in the country have made provisions in the respective State Panchayati Raj Act for 50% reservation for women.
- **Funds Flow to Panchayat:** Article 243I of the Constitution provides for the creation of State Finance Commissions to help structure inter-governmental relations at the state level. The SFC have the mandate to review the financial position of Panchayat, ascertain the fiscal gaps and make suitable recommendations to the governor for addressing the same through tax devolution and grant-in-aid from the state.

Though the political decentralization is complete in the state, the administrative and fiscal decentralization is still evolving with gradual transfer of functions, functionaries, and funds to the local governments. Kerala was the first state to undertake decentralization effort.

#### **Functional Responsibilities of Panchayats**

- **Mandatory Function:** They are mostly civic and regulatory functions.
- **General Function:** PRIs also carry out central functions of planning, execution, and supervision of all developmental programmes. In Kerala, 14 general functions including awareness against social evils, relief operations, response mobilization, gathering of statistical data, creating legal awareness, etc. have been included.
- **Sectoral Functions:** Functions handled by various line departments in consultation approval of the panchayats are known as sectoral functions.

**Gram Panchayat Development Plan (GPDP):** Ministry of Panchayati Raj (MoPR) has issued general guidelines in 2015 for the preparation of GPDP. After critical analysis of the plans prepared by Gram Panchayats, it was observed that there was minuscule presence of major sectors like agriculture, health, education, women, and child development, etc. Accordingly revised guidelines were issued and in 2020, MOPR has brought a framework for the preparation of Block and District Panchayat Development Plans.

**People's Plan Campaign (PPC):** Every year during 2<sup>nd</sup> October to 31<sup>st</sup> December, MOPR organizes PPC to formulate GPDP, as " Sabki Yojana Sabka Vikas" throughout the country. This campaign is jointly facilitated by the MOPR, and other stakeholders related to 29 subjects. Each campaign is an intensive and structured exercise for planning through convergence between panchayats and concerned line department. The PPC was launched in 2018 and is continued as annual event.

**Localising SDGs:** 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:** MOPR has put in place e-gram Swaraj, a unified portal for effective monitoring and evaluation of works taken up in panchayats. It was launched on National Panchayati Raj Day, 24 April 2020. This application improves reporting and tracking of Panchayat activities, provides 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 utilization of Central Finance Commission funds by panchayats. From 1 April 2021, all the MOPR schemes have been on boarded on eGSPI and only online payments are permitted across all the three tiers of the panchayats.
- **Special Development Planning:** “Gram Manchitra’, unified geospatial platform, launched in 2019, helps in visualizing 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. It improves the transparency and quality of service in rural areas
- **Online Audit of Panchayat Accounts:** On 15<sup>th</sup> April 2020, MoPR has launched the “Audit Online” application which facilitates the online auditing of accounts and provisions for maintaining audit records that has been carried out. From 2021–22 onwards 100% of gram panchayats audits will be done online. This coupled with social audit will further strengthen the financial management of panchayats .
- **Citizen Charter for Panchayats:** The MOPR launched a nationwide campaign namely, “Mere Panchayat Mera Adhikar – Janaseva Hamari Dwar” from 1<sup>st</sup> July to 15 August 2021, and gram panchayats across the country prepared and published Panchayats Citizen Charter. The basic objective is to empower the citizens in relation to public services and improve service quality on lines of citizens expectations
- **Aazaadi ka Amrit Mahotsav (India @ 75):** GoI is organizing a series of events to commemorate the 75<sup>th</sup> anniversary of independence. Aazaadi ka Amrit Mahotsav is being celebrated in the spirit of Jan-Bhagidari through outreach initiatives like Jan-Samvaad and Jan-Jagran. The union government has identified 225 PRIs across the country on the basis of their performances in various fields and have requested them to set up a library with an aim to inculcate the habit of reading among rural youths/kids.

#### Future Prospects

- The states need to be persuaded to devolve functions, funds, and functionaries to strengthen the Panchayati Raj system. The institutional structures like District Planning Committees created to expedite decentralized planning, need to be made functional.
- 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 needs to be ensured to avoid duplication of activities in villages.
- Own Source Revenue (OSR) for panchayats will provide long-term sustainability to public services.