



A REVIEW OF INFORMATION AND ITS NEED IN AGRICULTURE MARKETS

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Based on the particulars and analysis, the agriculture sector is being seen by the majority of the development economists as the most necessary and focused element of development process. Economic development needs industrialization, but, in many economies, especially in the developing economies, industry also requires the development of agriculture sector. For several years the organizations, engaged in the improvement of agriculture, have advocated the formation of Market information System as a mechanism for increasing the competence of this sector and encouraging the orderly marketing structure in agriculture. Based on this suggestion, the aim of the paper is to draw attention to the needs of agriculture market information

Keywords: Agriculture Market , Market Information System

Introduction

Market information means data and news relevant to a marketing activity or operation. It is fundamentally an organized collection, storage, and presentation of processed data and other knowledge related to a market.

Historically speaking, the information like census was created for governmental purposes, but it soon became evident that information about the populace was valuable to business. Over the years, as the business expanded and became increasingly diverse the need for information also grew. Today more than ever, developing effective strategy requires current, accurate information about the macro environment, about markets, and about internal and external forces that impact organizations. The fact has been very well realized that development, interpretation and communication of decision oriented information is very much essential in all the phases of marketing process for any organisation.

Today, in an increasingly complex market place, competitive advantage of any market player is dependent on the quality of the market information it has, its utilization for decision making, and responsiveness to the market. Thus, competitive pressure, the cost of making a mistake and the complexity of markets all contribute to the need of information for any organization to sustain. Information gathered and analysed specifically for the concerned market, facilitates accurate and confident decision making in determining and understanding the market opportunities, market competitions, and new market development strategies.

The characteristics of good information can be described as follows:

1. The information should be relevant to the needs of users, i.e. the information must be what is required by the users.
2. The information should be meaningful, i.e. the information must be precisely specified.

There should be no ambiguity in terms information that is provided. The information should be understandable, i.e. it must be in a form which can be interpreted quickly and easily.

3. The information should be reliable and impartial, i.e. it must be accurately and regularly collected and disseminated, and there must be no question of bias involved in the collection or reporting of the data.
4. The information should be promptly available and timely, i.e. once collected it must be quickly disseminated.

The information should be easily accessible to the users in terms of the convenience in obtaining it, and the information should be free or relatively inexpensive

Further, Market Information Service, by and large, express dissemination or distribution networks of public that offers information related to the marketing of any goods or services. The service is an assemblage of people, objects and procedures. The Market information service is referred to as a system which assembles, stores, processes and delivers information pertinent to the marketing activities of any organization, in such a way that the information is approachable and useful to those who wish to use it. An information service aims to provide relevant information to users in requisite approach : that is at the right time, at the appropriate level of detail, and accurate enough for the users who are presented with that information.

In a nutshell, Market Information System , consists of people, equipment, and procedures to gather, sort, analyze, evaluate and distribute needed, timely, and accurate information to marketing decision makers.

The ideal Market Information System

- Includes real time data
- Generates regular reports and recurring studies as needed.
- Analyse data using statistical analysis and mathematical models that represent the real world.
- Integrates old and new data to provide information updates and identify trends.

To develop an effective Market Information System, the users must be acquainted with the information that will help them make better decisions, how the data must be attained , how the data should be ordered, the fashion in which the data is to be reported and the schema and the plan according to which the data will be delivered.

Market Information System functions depends primarily on the underlying three factors

1. Nature and the quality of data available
2. The ways in which the data are processed and presented to provide useful information
3. The reach and ability of users to utilize the available information.

In essence , the purpose of any Market Information System is to provide requisite information in an comprehensible format to the concerned users at a specific time on customers, trade, competition and future trends in each of these segments. These basically help strengthen an organization in the competitive arena and assist it in strategic decision making. Marketing is considered as a war that requires continuous surveillance of marketing environment

which includes customers, competition and other structural components like Government policy. Based on this continuous surveillance, successful organizations evolve their tactics to win smaller battles which help it win the war of market share. It is only through proper assessing of information needs, the usage of internal data, collection of relevant external data through marketing research and intelligence that precise information can be generated and disseminated to the right users. Evidently, the entire concept of Market Information System is similar to military sciences, where it is a known fact that no army can win a war without good, effective, and timely information on enemy forces and the terrain on which the war is going to be fought.

Discussion

“Agricultural Market Information System” can be utilized as an extensive source of information to aid small farmers and traders to make educated business decisions and lessen the business risks. This information system supports market research and planning, and also facilitates economic and policy analyses. The arrangement includes information on current and historical production, market supply, wholesale prices, trade, market prospects, consumer preferences, and other relevant quantitative data.

It has been advocated that as urban areas speedily develop and average incomes of urban residents grow, the possibility for farmers residing in apt agro-climatic areas to grow crops for the market also opens out. It has continually been the supposition of the Marketing Group of Food and Agriculture Organisation of the United Nations (FAO) and many other agencies engaged with agricultural marketing that dependable and well-timed information on price variations in markets is crucial to give the price indications for such market-oriented production to progress. The prime objective of a market information service is to augment the extent of knowledge of market contributors (farmers, traders and consumers) about the market. Superior approach to information leads to a better understanding of the functioning of the market. This means that the decisions made by the participants should be more informed and the prosperity of their exchange should be enhanced. Government planners and policy makers should also gain by the provision of market information and that the policies and programmes should be based on an improved understanding of the market. Briefly speaking, in theory, such a service can:

1. add to improving the bargaining position of farmers;
2. inspire competition among traders;
3. encourage the adaptation of supply to demand; and
4. assist in more effective agricultural policy formulation, as a result of greater awareness of price trends.

On the whole, the objectives of Agriculture Market Information System are as follows:

1. To collect and develop a complete information system (production, market supply, wholesale prices, key markets, etc.) on major crops.
2. To provide market “Outlook Reports” that will comprise of trend analyses and market forecasts for potential market creation or expansion

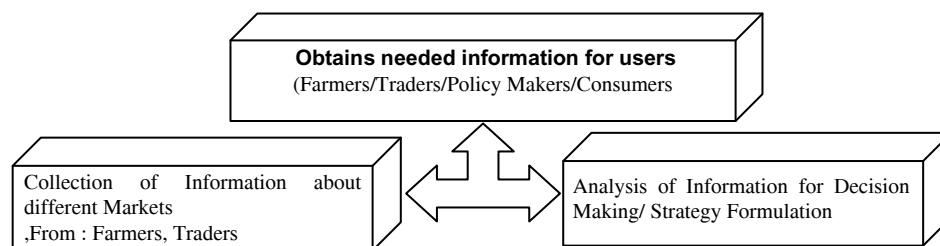
3. To assemble information that will be used for preparing strategic marketing plans and feasibility studies like that of a farmers' market for any particular crop.
4. To bring together relevant quantitative and qualitative data into an electronic database system that can be accessed readily by data users;
5. To share out this information to businesses and policy analysts for use in decision-making.

Agriculture Market information System aims to :

Assess, Develop and Distribute Information to Farmers / Traders / Policy makers.

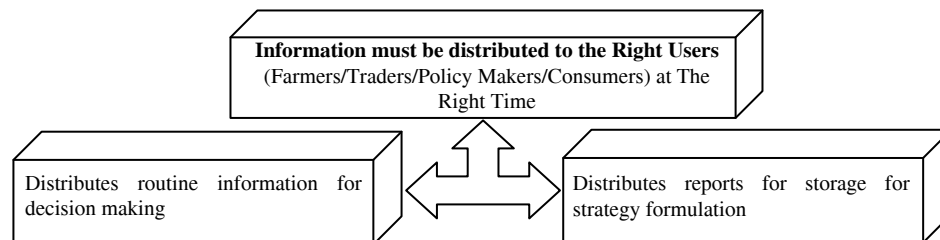
Function of Agriculture Market Information System:

Assessing Information Needs



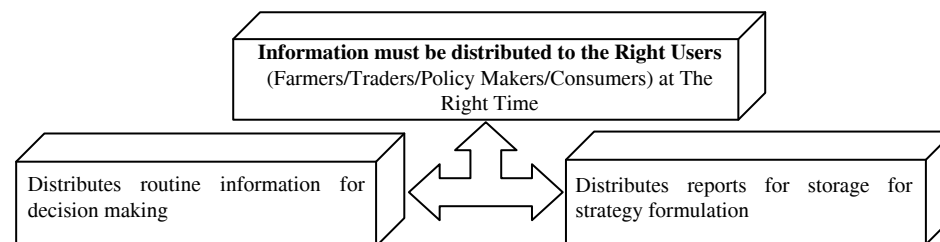
Function of Agriculture Market Information System:

Distributing Information



Function of Agriculture Market Information System:

Distributing Information



For several years the organizations, engaged in the improvement of agriculture marketing, have advocated the formation of Market information System as a mechanism for increasing the competence of marketing systems and encouraging the Orderly Marketing Structure in agriculture. But till date, nonexistence of market intelligence as to prices is a foremost limitation in agriculture marketing. The producers have virtually no connection with the

outer world nor are they in touch with the trend of market prices and they mostly depend on word of mouth reports established from the village traders, who is not at all concerned in delivering them the correct information as to prices obtaining in the wholesale market. Agricultural Market Information can be considered as a public good, predominantly where there are several small farmers who are incapable to pay for information. The accessibility of timely and accurate information to all involved parties is therefore essential, whether it be offered by the government itself or by the private sector. Many countries have made an effort to provide market information but their success rate has been poor. Market Information Services have continually proven to be unsustainable and where they have endured they have often been unsuccessful to provide commercially valuable advice, restricting themselves to the gathering of, frequently unused, data.

Types of Information Needs		
	Decision	Information Required
Information Needs of Farmers	What crop to plant? What variety?	Historical prices of different crops Prices of different varieties Production costs of different crops and varieties
	When to plant? When to sell?	Seasonal variations in prices
	Should I harvest? Where to sell?	Current prices in different markets Marketing costs for alternative markets
Information Needs of Traders	What crop to sell? What variety?	Historical prices of different crops Prices of different varieties
	What to pay the farmer?	Current prices
	Where to sell?	Current prices in different markets Quantity demanded in different markets Quantity supplied to different markets Marketing costs
Information Needs of Consumer	What to buy?	Current prices of different crops
	Where to buy?	Current prices in different markets Cost involved in purchasing at alternative markets
Information Needs of Policy Makers	Are improvements in the marketing system needed?	Historical prices at different levels of sale (wholesale and retail) Seasonal price variations Quantities supplied
	What specific measure needed?	Market margins Price trends in different markets

Even in cases , where information as to prices is available prices are not corresponding on account of

1. Deficiency in standard grading, acceptable to the entire country.

2. Sizeable variations in weights and measures, used in several markets due to the absence of standardization of weights and measures.
3. Noteworthy differences between prices for different varieties and qualities of same crops.
4. Imprecision of information supplied by various agencies concerned.
5. Dissimilarity in the price quotations given by local and central Government.
6. Insufficient information regarding quantity of stock available in the concerned markets.

Conclusion

The major focus of a market information service should thus be:

1. Current prices of different crops and different varieties
2. Prices in different markets
3. Seasonal price trends
4. Historical price series
5. Quantities supplied

The given argument indicates that the information that is of importance to agricultural market participants and policy makers, concerns current market prices and supplies, market price and supply trends, quantity demanded in different markets, cost of production, and marketing costs.

Even though, information on quantity demanded, cost of production, and marketing costs is enormously pertinent to market participants and policy makers, it is very costly to collect this type of data. Provision of this information is afar the level of most market information services.

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