



## INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, ECONOMICS AND MANAGEMENT

### CONTENTS

Sr. No.	TITLE & NAME OF THE AUTHOR (S)	Page No.
1.	FDI TRENDS IN INDIA: A MULTI-DIMENSIONAL ANALYSIS <i>DR. K. R. PILLAI &amp; DR. M. S. RAO</i>	1
2.	BEHAVIORAL ANALYSIS OF THE FARMERS, AS END USERS, TOWARDS ORGANIC FERTILIZER: AN EMPIRICAL STUDY IN BANGLADESH <i>MUJAHID MOHIUDDIN BABU</i>	6
3.	ECONOMIC GROWTH NEXUS TO PERFORMANCE OF BANKING SECTOR IN PAKISTAN <i>SHAHZAD GHAFUOR &amp; UZAIR FAROOQ KHAN</i>	11
4.	BANK CONSOLIDATION AND CREDIT AVAILABILITY TO SMALL AND MEDIUM ENTERPRISES: EVIDENCE FROM NIGERIA <i>DR. AHMAD BELLO DOGARAWA</i>	19
5.	STUDY OF LINKAGE OF DIVERSIFICATION STRATEGY AND CAPITAL STRUCTURE OF FIRMS: A SURVEY <i>NEETA NAGAR</i>	26
6.	A STUDY ON MONEY SUPPLY, INFLATION RATE AND GDP – AN EMPIRICAL EVIDENCE FROM INDIA <i>UMANATH KUMARASAMY</i>	33
7.	MICROFINANCE FOR SMES: PROSPECTS, CHALLENGES & IMPLICATION <i>GAURAV SEHGAL &amp; DR. ASHOK AIMA</i>	37
8.	TRADE ORIENTATION OF INDIAN INDUSTRIES <i>NAGENDRA KUMAR MAURYA &amp; J. V. VAISHAMPAYAN</i>	44
9.	GLOBAL FINANCIAL CRISIS AND ITS IMPACT ON INDIAN INSURANCE INDUSTRY <i>S. H. ASHRAF &amp; DHANRAJ SHARMA</i>	49
10.	FOOD INFLATION IN INDIA- WHERE ARE THE PRICES HEADING? <i>DR. YASMEEN K. AOWTE</i>	57
11.	SOCIAL ENTREPRENEURSHIP – STUDY OF KAUSHALYA FOUNDATION <i>DR. SHILPA BENDALE &amp; DR. ARVIND CHAUDHARI</i>	61
12.	DYNAMISM OF INDIA'S FINANCIAL SECTOR DURING THE GLOBAL ECONOMIC RECESSION <i>DR. B. KUBERUDU &amp; DR. T. V. RAMANA</i>	64
13.	MANAGING RELIGIOUS PHILANTHROPY FOR SOCIO-ECONOMIC DEVELOPMENT <i>BEERAN MOIDIN B. M. &amp; DR. FAISAL U.</i>	67
14.	INVESTMENT PROCESS OF VENTURE CAPITAL: AN EXPLANATORY STUDY OF ANDHRA PRADESH INDUSTRIAL DEVELOPMENT CORPORATION VENTURE CAPITAL LIMITED (APIDC-VCL) <i>DR. A. AMRUTH PRASAD REDDY &amp; DR. S. RAGHUNATHA REDDY</i>	72
15.	MICRO FINANCE LOANS – ENHANCING BUSINESS OR MEETING PERSONAL EXPENSES? <i>ARADHANA CHOUKSEY &amp; DR. YAMINI KARMARKAR</i>	78
16.	INTERNATIONALIZATION OF INDIAN BUSINESS: DRIVERS AND CHALLENGES <i>DR. VILAS M. KADROLKAR &amp; SHREESHAIL G. BIDARKUNDI</i>	83
17.	SMEs IN THE ECONOMIC GROWTH OF AGRA: OPPORTUNITIES AND CHALLENGES (WITH SPECIAL REFERENCE TO AGRA SHOE CLUSTER) <i>SHAVETA SACHDEVA &amp; LAXMI R. KULSHRESTHA</i>	90
18.	SAFE MANAGEMENT OF HEALTH CARE WASTE <i>DR. A. SHYAMALA</i>	94
19.	POST MARITAL SEXUAL ANXIETY AMONG DOCTORS (A COMPARATIVE STUDY AMONG MALE AND FEMALE DOCTORS) <i>VIJAYA U. PATIL, CHANDRAKANT JAMADAR &amp; RUKMINI S.</i>	98
20.	CLIENTS SATISFACTION TOWARDS PRIVATE LIFE INSURANCE COMPANIES <i>DR. M. DHANABHAKYAM &amp; M. KAVITHA</i>	101
21.	RURAL ENTREPRENEURSHIP IN JAMMU AND KASHMIR: OPPORTUNITIES AND CHALLENGES <i>DR. DARAKHSHAN ANJUM</i>	105
22.	IMPACT OF DEMOGRAPHIC VARIABLES ON PERFORMANCE OF ENTREPRENEURS IN KERALA <i>DR. R. JUBI</i>	111
23.	MARKET ORIENTATION IN AGRICULTURE: CASE STUDIES OF DEVELOPMENT INTERVENTIONS IN INDIA <i>NISHA BHARTI</i>	118
24.	TRENDS AND PATTERNS OF FDI IN INDIA: AN ANALYSIS <i>PRADEEP</i>	126
25.	THE NEW CONSOLIDATED FDI POLICY 2011: WHETHER IGNORING SOMETHING IN ITS DRIVE TOWARDS BOOSTING INVESTOR CONFIDENCE? <i>VAIBHAV CHOUDHARY &amp; DEEKSHA CHAUDHARY</i>	131
	REQUEST FOR FEEDBACK	134

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**MARKET ORIENTATION IN AGRICULTURE: CASE STUDIES OF DEVELOPMENT INTERVENTIONS IN INDIA**

**NISHA BHARTI**  
**FELLOW PROGRAMME IN RURAL MANAGEMENT**  
**INSTITUTE OF RURAL MANAGEMENT**  
**ANAND, GUJARAT**

**ABSTRACT**

*Agriculture is a major livelihood source in many developing countries. It contributes to over 65 percent of livelihood sources in India. A suitable marketing strategy is an important contributing factor in maximizing returns from agricultural produce. Various innovative interventions have been designed and implemented in the field based on the concept of market orientation, with the objective of increasing profits for farmers. In this paper efforts are made to illustrate two such development interventions from the field and to examine the impact of these measures on the profitability of farmers. The conclusion reached here is that market-oriented interventions helped in increasing the profitability of farmers as compared to the profitability of normal crop practices prevalent in the region.*

**KEYWORDS**

Agricultural production, case studies, market orientation.

**INTRODUCTION**

India is the seventh largest country in the world in terms of area and the second largest in terms of population. Interestingly, 72.2 percent (742.6 million) of the total population of India is rural (Ministry of Agriculture, 2004). The major livelihood source of more than 65 percent of Indians is agriculture. Despite the importance of agriculture in the Indian economy, this sector is facing several problems. Low productivity and declining returns have led increasing numbers of farmers to abandon farming as a means of livelihood or to otherwise lose interest in it. Many farmers burdened by agricultural debt have committed suicide in various parts of India. This situation is a potential threat to the food security of the country. Limited resources, erratic rainfall, climatic hazards, and fragmented landholdings are some of the major factors associated with low agricultural productivity, leading to low profit for farmers.

The agricultural sector in India faces several difficult challenges in the era of globalization. In this new and competitive world market, Indian farmers are finding it difficult to survive with low-profit agricultural production. There is no lack of demand for agricultural produce, but the need is to tap the available market demand properly and efficiently. An important factor contributing to the low profitability of agricultural production is a lack of market orientation among Indian farmers. As various academicians and practitioners have pointed out, quite correctly, any business that increases its market orientation will improve its profitability (Narver and Slater, 1990). Some have argued that profitability is the consequence of market orientation (Kohli and Joworski, 1990). The impact of market orientation on business performance may be indirect via factors that have been found to influence profitability (Adu and Singh, 1998). As in the case of any other business enterprise, market orientation in the agricultural sector also improves productivity for agricultural goods, leading eventually to wider economic development (Drucker, 1958). Further, it has been noted that apart from the primary assembling markets, there are also 27,294 rural periodic markets in the country. Most of these (85 percent) have not been developed, which hinders the spread of market orientation in rural areas (Acharya, 1998). Some development organizations have implemented market-oriented development interventions and other innovative experiments to tackle this problem, and have succeeded in making agriculture a profitable venture to some extent. This paper examines two such case studies and analyzes the profitability enjoyed by farmers involved in these interventions. This exercise offers useful insights for development practitioners in the field who are involved in promoting agriculture as a livelihood source; it will be helpful in designing more effective, focused, and innovative interventions for increasing the profitability of agricultural produce and thus benefiting farmers.

In the following sections, I will discuss the background and rationale of the study, review the literature on the major problems of agriculture, define the concept of market orientation and understand its importance for agriculture, examine two case studies and their implications for practitioners, and discuss the future direction of research studies in this area.

**BACKGROUND AND RATIONALE OF THE STUDY**

Marketing as a discipline has evolved substantially over the past few decades, with intensive studies being done in the context of various business and corporate entities. Marketing in agriculture is as valid a concept as it is in any other business. The need for continued research activities on marketing in the agricultural sector is critical in view of the large number of people whose livelihood depends on agriculture.

Studies on market orientation have shown a positive relationship with business performance. Whether the concept of market orientation as it was developed in the context of the large organization environment is actually relevant in the agricultural sector—whether it is appreciated and practised—needs to be tested. A critical element in the development of market orientation is the availability of timely and relevant market information (Ellis, 2005). In agriculture, farmers are mostly located in remote areas, which are often not well connected with the market. Hence the need for market information in agriculture becomes particularly important for farmers.

Several development organizations across the world have developed various models aimed at supporting farmers by providing them with timely and pertinent market information. These development organizations have introduced various innovations in agriculture to increase the profitability of farmers. One way of increasing profitability is by deepening or expanding market orientation. This paper documents some of the innovative and best practices of market orientation in agriculture and food production for attaining the larger goal of knowledge creation in the agricultural sector. This paper is descriptive, being based on two case studies of development interventions concerning market orientation in agriculture. It also suggests some directions for future research.

**BRIEF REVIEW OF THE LITERATURE****STATUS OF AGRICULTURE IN INDIA**

As in most developing countries, agriculture is an important pillar of the Indian economy. It contributes 22 percent to the country's gross domestic product (GDP). Out of a total 329 million ha, the net cropped area is 142.5 million ha. More than 70 percent of Indians live in rural areas, and agriculture is the major livelihood for the majority of the rural population. Agriculture not only provides food security but also employment opportunities to the vast majority of the rural population. Agriculture supports 115.5 million farm families. It also accounts for 13 percent of the country's exports (Ministry of agriculture, 2004). More than 250 different crops are cultivated in India's varied agro-climatic regions and under different cropping systems. India ranks seventh in total area among the countries of the world, but ranks first in irrigated area (Economic survey, 2007).

Nevertheless, Indian agriculture alone is unable to support the livelihood of all agriculturalists because the distribution of farm holdings is largely dominated by small and marginal farmers. Small landholdings of less than 1 ha coupled with low prices of farm produce means that farmers are unable to support themselves through agriculture alone. Since 1951, the proportion of the rural population in the total population has declined sharply, and so has the percentage of the population pursuing cultivation or farming as a profession (Table 1).

TABLE 1: POPULATION, CULTIVATORS, AND AGRICULTURAL LABOURERS

Year	Total Population	Average Annual Growth Rate (%)	Rural Population	Cultivators	Agricultural Labourers	Total
1951	361.1	1.25	298.6 (82.7)	69.9 (71.9)	27.3 (28.1)	97.2 (100.0)
1961	439.2	1.96	360.3 (82.0)	99.6 (76.0)	31.5 (24.0)	131.1 (100.0)
1971	548.2	2.22	439.0 (80.1)	78.2 (62.2)	47.5 (37.8)	125.7 (100.0)
1981	683.3	2.20	523.9 (76.7)	92.5 (62.5)	55.5 (37.5)	148.0 (100.0)
1991	846.4	2.14	628.9 (74.3)	110.7 (59.7)	74.6 (40.3)	185.3 (100.0)
2001	1,028.7	1.95	742.6 (72.2)	127.3 (54.4)	106.8 (45.6)	234.1 (100.0)

Source: www.censusindia.net

Agriculture is dependent on two major resources, land and water. Unfortunately, Indian farmers often lack both these resources. According to a 1991–92 survey, 11.25 percent of rural families are landless. Among landholders, 69.35 percent own less than 1 ha (marginal farmers) and 21.25 percent own between 1 and 2 ha (small farmers). Growing population pressure means that land fragmentation is also increasing. Farmers find it difficult to earn a livelihood under conditions of such severe land scarcity. It is almost impossible under current circumstances to bring more land under cultivation.

Water is another critical resource for agriculture. Out of the total arable area of 169 million ha in India, only 28 percent is under irrigation. About 40 percent of the cropping area is located in low-rainfall regions where employment opportunities are available for only 40 to 50 days in a year. Rain-fed agriculture is found in about 60 percent of the net sown area. Most farmers can manage to raise only a single crop a year. It is possible to increase the area under irrigation, but with declining investment in the agricultural sector in subsequent budgets, this course of action is also difficult to pursue. Crops generally fail twice in any given five-year period, thus increasing the vulnerability of farmers (Hegde, 2000). Increasing input prices and almost constant output prices worsen the situation of cultivators. Agricultural produce usually arrives in the market when prices are already too low, which means that farmers do not make sufficient profit, which jeopardizes their very survival. Under the present circumstances, it is difficult to increase the area of agricultural land and the amount of irrigation water. The only way of increasing the profitability of agricultural produce is to get higher prices in the marketplace.

The agricultural sector in India grew more slowly than the other sectors of the economy in the decades both before and after the 1991 reforms. A moderate annual average growth of 3.0 percent in the first six years of the new millennium starting in 2001–02 (notwithstanding growth rates of 10 percent in 2003–04 and of 6 percent in 2005–06) has meant that agriculture and allied sectors have continued to be a cause of concern (Table 2).

TABLE 2: ANNUAL AVERAGE GROWTH RATE (AT CONSTANT PRICES)

Five Year Plan	Overall GDP Growth Rate	Agriculture and Allied (Percent)
Seventh Plan (1985–90)	6.0	3.2
Annual Plan (1990–92)	3.4	1.3
Eighth Plan (1992–97)	6.7	4.7
Ninth Plan (1997–2002)	5.5	2.1
Tenth Plan (2002–07)	7.6	2.3
2002–03	3.8	-7.2
2003–04	8.5	10.0
2004–05 (P)	7.5	0.0
2005–06 (Q)	9.0	6.0
2006–07 (A)	9.2	2.7

Source: (www.indiabudget.nic.in)

Note: P: Provisional; Q: Quick Estimates; A: Advanced Estimates.

Growth rates before 2001 based on 1993–94 prices, and those from 2000–01 onwards based on new series at 1999–2000 prices.

In a rapidly growing economy like India, a declining agricultural growth rate is a matter of concern. Between 1980 and 2003, agriculture declined from 38 percent to 22 percent of total GDP (Government of India, 2004). Following the 1991 reforms, growth has been strongest in the service sector, yet agriculture still employs nearly 60 percent of the total workforce (World bank, 2003). To increase the share of agriculture in the country's GDP, an efficient production system needs to be developed. This requires a well-thought-out strategy coupled with a supportive policy.

With the spread of globalization and liberalization, demand for vegetable crops has increased. During the 1990s, high-value agriculture—defined as fruits, vegetables, dairy, poultry, eggs, meat, and fisheries—grew by more than double the rate registered by the cereal sector (Gulati and Bathla, 2002). Acreage under horticulture—which includes fruits, vegetables, spices, floriculture, and plantations—was estimated to increase up to 20 million ha by the year 2006–07 (Table 3).

TABLE 3: AREA AND PRODUCTION OF MAJOR HORTICULTURAL CROPS

Crops	2002–03		2003–04		2004–05		2005–06 (Estimate)	
	Area	Production	Area	Production	Area	Production	Area	Production
Fruits	4.8	49.2	5.1	49.8	5.3	52.8	5.9	54.4
Vegetables	5.9	84.8	6.7	101.4	7.1	108.2	7.2	113.5
Spices	2.4	3.8	5.2	4.0	3.2	4.9	3.2	5.9
Plantation crops	3.1	13.1	3.3	9.4	3.1	10.4	3.2	9.8
Flowers	0.1	0.2	0.2	0.6	0.1	0.7	0.1	0.8
Others	0.09	0.9	0.1	0.3	0.4	0.4	0.4	0.5
Total	16.4	152.0	20.6	165.5	19.2	177.4	20.0	184.9

Source: http://nhb.gov.in/

In 2005–06, India was the second largest producer of both fruits and vegetables in the world, with production of 53 million tonnes and 108 million tonnes, respectively. Production of vegetables increased from 58.53 million tonnes in 1991 to 87.53 million tonnes in 1998–99, about one and a half times in the span of seven years (Table 4).

TABLE 4: AREA AND PRODUCTION OF VEGETABLES

Year	Area (in million ha)	Production (in million tons)
1991–92	5.14	58.53
1996–97	5.51	7.51
1997–98	5.61	72.7
1998–99	5.87	87.53

Source: www.indiastat.com

Among vegetables, the tomato is considered one of the important crops. Tomatoes enjoy a huge demand all year round. Tomato production has increased from 3,330.5 thousand metric tonnes (1 metric tonnes=1,000 kg) in 1987–88 to 8,637.7 thousand metric tonnes in 2004–05, about three times in a period of two decades, leading to a decrease in tomato imports (Table 5).

Cucurbits, one of the largest families of vegetables, include bottle gourd, ridge gourd, smooth gourd, bitter gourd, and cucumber. Despite a huge demand, the area under cultivation and production of these vegetables are both very low. Hence, there is great potential for increasing production, thus maximizing profits for farmers.

TABLE 5: AREA, PRODUCTION, AND PRODUCTIVITY OF TOMATOES IN INDIA (1987–88, 1991–92 to 2004–05)

Year	Area (in thousand ha)	% of total vegetable area under cultivation	Production (in thousand metric tonnes)	% of total vegetable production	Productivity (in metric tonnes/ha)
1987–88	237.3	5.8	3,330.5	6.8	14.0
1991–92	289.1	5.2	4,243.4	7.2	14.7
1992–93	305.6	6.1	4,549.6	7.1	14.9
1993–94	345.9	7.1	4,934.0	7.5	14.3
1994–95	351.8	7.0	5,261.3	7.8	15.0
1995–96	355.7	6.7	5,442.0	7.6	15.3
1996–97	391.2	7.1	5,787.8	7.7	14.8
1997–98	413.7	7.4	6,183.7	8.5	14.9
1998–99	466.3	7.8	8,271.8	9.4	17.7
1999–2000	456.5	7.6	7,426.8	8.2	16.3
2000–01	460.1	7.4	7,242.4	7.7	15.7
2001–02	458.1	7.4	7,462.3	8.4	16.3
2002–03	478.8	7.9	7,616.7	9.0	15.9
2003–04	502.8	8.5	8,125.6	9.6	16.2
2004–05	497.6	8.4	8,637.7	10.2	17.4

Source: www.indiastat.com

## MARKET ORIENTATION AND ITS NEED IN AGRICULTURE

Marketing has been defined by various authors in different ways. Marketing is a philosophy of business management based on the need of customer orientation and profit orientation (McNamara, 1972). The marketing concept rests on four pillars: target market, customer needs, integrated marketing, and profitability (Kotler, 2002). Firms adopt the marketing concept with the expectation of making long-term gains in profitability (Webster, 1988). Marketing has been an important problem in agriculture; it needs focused attention in the present context.

Over forty years ago, the concept of market orientation was introduced (Levitt, 1960). Market orientation is defined as the extent to which an actor in the marketplace uses knowledge about the market, especially about customers, as a basis for decision making about what to produce, how to produce it, and how to market it (Jaworski and Kohli, 1993). Market orientation is the systematic gathering of information about customers and competitors, both present and potential, the systematic analysis of information, and the systematic use of such knowledge for guiding the recognition of strategy and its understanding, creation, selection, implementation, and modification (Hunt and Morgan, 1995). There is general agreement in the literature about the congruence between market orientation and business performance (Narver and Slater, 1990). Unlike the case of developed countries, not many studies exist in the Indian context that empirically demonstrates a positive relationship between market orientation and business performance (Jain and Bhatia, 2007).

Some studies have emphasized the importance of innovation as the determinant of market orientation and business performance (Deshpande *et al.* 1993). Innovativeness mediates the relationship between market orientation and business performance. It is believed that market orientation can lead to firm innovation (Jin *et al.* 1998). The opposing perspective is that of product orientation, or, more correctly, innovation orientation, because it has the potential to create markets and customers (Leyland *et al.* 2007). However, in developing countries, marketing practices were found to be a superior predictor of business performance than market orientation (Ellis, 2005).

The concept of market orientation rests firmly on the notion of market intelligence, especially intelligence on customer needs. Market orientation emphasizes the importance of competitiveness and profit making based on identifying customer needs, wants, and aspirations, and on delivering compatible offerings that are competitively priced and are better than those offered by rival firms (Blankson *et al.*, 2006). Market orientation is regarded as a major prerequisite for the ability to create superior customer value, which in turn is regarded as a major determinant of competitive advantage. It is widely acknowledged that food production—that is agriculture and fisheries, and the subsequent processing links in the food value chain—need more market orientation. Given the low productivity and declining profits of agribusiness, it makes sense for farmers to possess not only adequate intelligence about market needs but also the ability to respond to these needs quickly and efficiently. It has been argued that agribusiness firms in general and cooperatives in particular need to develop competency in market learning and responsiveness, that is, they need to become market oriented (Grunert *et al.* 1996).

If every farmer is considered as representing one small agribusiness firm, it becomes necessary that each such farmer should learn to be market oriented for the purpose of profit maximization. Indian agriculture is largely supply driven, and hence farmers need to adopt a greater degree of market orientation. This change requires a shift from a supply-driven production system to a demand-driven production system. This goal can be achieved by nurturing and encouraging market orientation through various interventions, such as disseminating market information, promoting competition among farmers, and developing linkages with the agro-processing sector (Vaswani *et al.* 2003).

Market orientation has been studied both as an aspect of organizational culture and as a behavioral phenomenon (Day, 1999). This study seeks to address market orientation as a behavioral phenomenon, that is, the need for generating market intelligence among farmers so that their produce can command sufficiently high market prices and thus earn more profit. Market orientation in agriculture involves two behavioral components: customer orientation and competitor orientation. It also involves two decision criteria: long-term focus and profitability. Although market orientation is likely to be related to business



performance in general, under certain conditions it may not be critical and is useful only if the benefits exceed the cost of resources. Hence, a cost–benefit analysis can be an effective tool in analyzing the impact of market orientation on agricultural production (Kohli and Jowrski, 1990).

## GAPS IN THE LITERATURE

Agriculture is a major source of livelihood in India. The role of marketing in the profit maximization of agricultural and food produce has been widely acknowledged. During the last fifty years, the market orientation of Indian farmers has increased manifold both in terms of forward and backward linkages. Furthermore, market orientation and its impact on the profitability of business enterprises have been widely explored in developed countries. In the context of transition economies and less developed countries, studies on market orientation are scant (Selassie *et al.* 2002). Research on the impact of market orientation on the profitability of agriculture has been a grey area, particularly in the Indian context. This paper describes two case studies where market orientation was adopted as a practice in the field and analyzes the resulting profitability enjoyed by the farmers participating in the interventions.

## RESEARCH QUESTIONS AND OBJECTIVES

This paper examines two case studies of market-oriented interventions undertaken by a development organization working in the rural areas of Jharkhand state, in India. It asks a basic question: can market orientation increase profitability of agricultural production? The study, which is based on field experience, highlights the importance of developing and adopting market orientation in agriculture for achieving higher profits for farmers. It also brings out some important implications for development professionals working in the field.

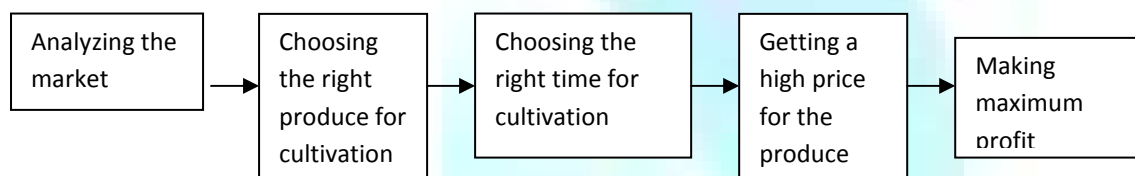
## METHODOLOGY

This paper first surveys the relevant literature on marketing and tries to define market orientation in the context of agriculture. It then supplements this with findings from the field. The study adopts a multiple case study method. The case study is a method of detailed examination of a single example of a class or phenomenon (Abercombie *et al.* 1984), for example, a programme, a process, an organization, or an event (Yin, 1984). It has also been argued that as the case study is a detailed examination of a process, the pre-existence of a theory for explaining it is not necessary; instead the theory will emerge from the analysis of the evidence (Mannen *et al.* 1982). An analysis of the costs of cultivation and the benefits of crop production means an analysis of the profitability of agriculture for farmers, where profits resulting from the intervention are compared with profits resulting from normal crop practices in the region.

## CONCEPTUALIZATION OF MARKET ORIENTATION IN THE CONTEXT OF AGRICULTURE AND FOOD PRODUCTION

In this paper, market orientation means the implementation of the marketing concept in the field or on the ground. In the context of agriculture and food production, market orientation can be defined as the process of analyzing markets, choosing the right produce to be cultivated, harvested, and marketed at the right time with the objective of fetching the maximum profit in the marketplace. Market orientation in agriculture and food production is depicted in Figure 1.

FIGURE 1: MARKET ORIENTATION IN AGRICULTURE AND FOOD PRODUCTION



It has been observed that agricultural produce in general, and vegetables and fruits in particular, often faces the problem of market glut. Agricultural produce being perishable in nature suffers heavy losses due to low prices resulting from a glut or overproduction. Nevertheless, the demand for fruits and vegetables exists throughout the year. Those farmers who are properly oriented towards market demand will make suitable changes in the agricultural schedule—shifting the time of sowing, harvesting, and marketing—in such a way that the produce reaches the market at the peak price. In this way, with the same amount of produce (or even less), they can fetch a good profit. For development organizations working in the area of livelihood promotion, encouraging market orientation in agriculture and food production can be a good strategy. As the demand for fruits and vegetables remains high round the year, a formal marketing plan may not be necessary, but farmers need at least a marketing strategy as part of their agribusiness. There are three main elements that farmers must consider when thinking about marketing:

1. Business orientation
2. Competitor orientation
3. Customer orientation

The same is true of farmers involved in agribusiness. Business orientation means describing exactly what goods and services or products a farmer wants to sell. For example, in the case of perishable produce like vegetables and fruits, the strategy employed would necessarily have to be different than the strategy employed in the case of less perishable produce like cereals and pulses. Regarding competitor orientation, it is necessary to observe the market closely. In the case of non-availability of produce at the local level, a competitor may become a global player. Similarly, in the case of easy availability of produce, local competitors become more important. Special attention should be paid to these aspects of agribusiness. Factors such as the location of competitors, the scope of the services they are offering, and the customers they are targeting need to be considered. Customer orientation means identifying and understanding the needs of customers and then undertaking the cultivation of those food products that are in demand. This three-pronged strategy will prove to be more effective and hence desirable for any farmer. Serving the needs and demands of local markets in particular will give farmers a competitive advantage.

## SAMPLING AND DATA COLLECTION

Data for the study were collected from one of the poorest regions of Jharkhand state. A total of 50 and 30 farmers were selected randomly for tomato and cucurbit cultivation respectively from the same village for the year 2007–08. The farmers of this particular village were among the most willing to take up these interventions. Additionally, the location of the village on a hilltop meant that it suffered difficult agro-climatic conditions compared to other villages in the same region. Information on crop, variety, total land under cultivation, production, and income generated was collected. Profits resulting from these interventions were compared with profits yielded by maize, the most widely cultivated crop in the area under similar land conditions. Data for maize were collected from 35 farmers.

## CASE STUDIES OF DEVELOPMENT INTERVENTIONS IN MARKET ORIENTATION

Lack of market orientation is one of the most important factors contributing to low agricultural income. This fact was realized by a development organization working in Jharkhand, and hence it designed a few market-oriented development interventions for promoting agriculture-based livelihood in the rural areas of

some of the poorer states of India. As the region chosen for the intervention was located near an industrial city, there was a huge potential for vegetable cultivation. Hence the tomato and the cucurbit were selected for the intervention.

Meetings in every village of the project area were organized to discuss the agricultural problems faced by local farmers. During the discussions, low productivity was identified as the real problem. Farmers were told that if they could shift their production even slightly in response to market demand, they could earn a good profit from the same amount of produce, rather than from a smaller amount. Earlier, some farmers had come forward to take up this innovative experiment on a small piece of land. This intervention yielded higher profits and better returns, which in turn helped the development organization in convincing other farmers to take up these interventions on a larger scale in subsequent years. These case studies are discussed below.

### TOMATO CULTIVATION IN THE RAINY SEASON

The tomato is considered the world's largest vegetable crop. In India, the estimated area under tomato cultivation is about 350,000 ha, and tomato production is 5,300,000 tonnes. The average productivity of tomato in India is merely 158q/ha, while productivity in the USA is 588q/ha, in Greece 498q/ha, in Italy 466q/ha, and in Spain 465q/ha (<http://www.indiaagronet.com/tomato/resources/1/1center.htm>). If we calculate income per kg of crop, the figure for India will be even smaller. Climatically, the tomato is suitable for cultivation round the year. But it is cultivated usually in the *rabi* season (*rabi* is the local name for winter crops, which are usually sown in November). In an experiment conducted in Bihar, it was found that the tomato is the most remunerative crop, followed by brinjal, potato, cauliflower, and cabbage (Prasad, 2008).

When the tomato reaches the market, its price ranges between Rs. 1 / kg and Rs. 2 / kg. However, in the rainy season, the price goes up to Rs. 20/kg to Rs. 30/kg. Looking at the vast difference in prices, it was realized that shifting the cultivation season of tomato from *rabi* to *kharif* (*kharif* is the local name for rainy-season crops in India; the season begins after the onset of the monsoon, that is, around the second fortnight of June) would be a profitable intervention for poor farmers. However, the *kharif* tomato crop suffers from various problems. The incidence of pest infestation and disease is quite high, and hence the crop needs close monitoring and proper training. Accordingly, a suitable intervention was designed and implemented.

However, productivity of the *kharif* crop was lower compared to that of the *rabi* crop, but profit was much higher. Each farmer could earn Rs. 0.1 million/acre of fertile land in a single season. *Tand* (the local word for uplands in Jharkhand), which is known for its low fertility, also provided an income of Rs. 30,000/acre to farmers. Hybrid varieties of tomato were selected as the demand for hybrid tomatoes is higher than for local tomatoes because the keeping quality of the former is better compared to that of the latter. The biggest limitation of tomato cultivation is the plant's high susceptibility to water logging. The plant needs staking to avoid lodging of plant. In addition, disease and pest incidence rates in the rainy season are very high. For higher yields, it is important to select hybrid varieties that can resist wilt, one of the major diseases of the tomato. But once the crop has grown, under a high level of monitoring, it can provide excellent returns for farmers.

If proper irrigation is provided, the crop may give fruit for four or five months. As the cultivators were small and marginal farmers, the smallest unit of land (that is, 0.10 acre) was used for calculating the cost of cultivation. The Laxmi variety was selected for cultivation.

The cultivation was done in *tand* land. A nursery was prepared during the period from the second fortnight of May to the first fortnight of June. Transplanting was done 30 days after the nursery preparation. The crop was ready for the first picking by the first fortnight of September. This is the time when the tomato rate is as high as Rs. 40/kg in the local markets. The picking of fruit continued until the end of December. In this way, a change in the production schedule in response to the needs of customers helped farmers in fetching good profits from their produce in the market. Table 6 gives the details of the cost of tomato cultivation.

TABLE 6: COST-BENEFIT ANALYSIS OF TOMATO CULTIVATION

S. No.	Particulars	Cost
1	Seed	5gm @ Rs.190/10 gm of seed = Rs. 95
2	Fertilizer	Rs. 75
	a. Urea	Rs. 150
	b. Phosphate	Rs. 50
	c. Potash	Total: 275
3	Insecticide	50
4	Fungicide	50
5	Polythene sheet	50
6	Labour cost	200
7	Irrigation	100
8	Stake	50
9	Other expenses	100
10	Total cost	970
11	Expected yield	4 qt* @ 40 qt/acre
12	Expected rate	Rs. 10/kg
13	Expected return	Rs. 4,000/-
14	Expected net return	Rs. 3,030/-

\*Note: 1 qt= 100 kg.

### CULTIVATION OF CUCURBITS IN POLYBAGS

India is the second largest producer of vegetables in the world. Cucurbits are one of the important vegetable crops in the country. In Jharkhand, the potato is usually planted after the harvesting of *kharif* paddy, and the crop is usually harvested in December and January. After the harvesting of the potato crop, farmers usually cultivate cucurbits, which start giving fruits from the second fortnight of April or the first fortnight of May. It was observed that when the crop reached the market, rates would drop as low as Rs. 2/kg. However, just before the crop glutted the market, the rates would be as high as Rs. 8/kg or Rs. 10/kg. An intervention was designed with the objective of catching the peak price in the market. It was suggested that the cucurbit nursery should be grown in polybags for 40–45 days. After the potato crop had been harvested, the prepared cucurbit plants could be transplanted in the fields. This intervention helped in saving about 30–35 days of the growing time, which meant that the produce was ready for the market quite early compared to previous years.

This helped farmers in fetching a good price for their produce and thus making more profit. This intervention was designed to help farmers use their land to the optimum level. Farmers following current agricultural practices can hardly raise two crops in a year. To maximize income from fragmented landholding in order to feed their families, farmers need to use their land more efficiently. The intervention of growing plants in polybags for a certain period and then transplanting them to the field can help maximize land use. In addition to encouraging efficient land use, this intervention also has several other advantages.

### BENEFITS OF POLYBAG CULTIVATION

- Efficient utilization of land: As plants are grown in polybags for 40–45 days, when transplanted they can produce fruit within 10–12 days. This method when adopted can produce 4–5 crops in a year.

- Low cost of cultivation: When the seedlings are in polybags, the cost of weeding and hoeing is reduced. This also reduces the water requirement as irrigation losses decline significantly, leading to a final decrease in cost.
  - Easy management: This intervention reduces the total sown area as farmers can put the polybags in their backyards, thus making management and supervision much easier.
  - Early crop and high profit: By raising an early crop, farmers can take advantage of high market prices during the season, thus making a good profit.
- Vegetables like bottle gourd, bitter gourd, sponge gourd, ridge gourd, and cucumber were selected for cultivation. Hybrid varieties were selected because of their high demand and high-yield potential. A nursery was prepared and seeds were sown in polybags. Two seeds were sown in each polybag to ensure germination. After 40–45 days of planting the seeds, the plants were ready to be transplanted to the field. For data analysis in this case study, bitter gourd was selected. The 'Chaman' variety of bitter gourd was taken up for cultivation. This crop was cultivated in *badi* (land in the backyards of homes and generally considered fertile). This crop lasted for four months. Analysis of cost of cultivation has been done for 0.1 acre of land (Table 7).

**TABLE 7: COST-BENEFIT ANALYSIS OF CULTIVATION OF BITTER GOURD**

S. No.	Particulars	Cost
1	Seed	40 gm @ Rs. 35/10 gm of seed= Rs. 140
2	Fertilizer	100
3	Insecticide	50
4	Fungicide	50
5	Polybag	50
6	Labour cost	150
7	Irrigation	100
8	Other expenses	100
9	Total cost	740
10	Expected yield	4 qt @ 40 qt/acre
11	Expected rate	Rs. 10/kg
12	Expected return	Rs. 4,000/-
13	Expected net return	Rs. 3,260/-*

\* Note: These returns can be expected during the four-month period from January to April.

## RESULTS AND DISCUSSION

Market orientation in food-processing firms has been defined as a shift from marketing what the farmer produces to finding out what the consumer wants and then producing a product that meets that need (Moore and Gorham, 1965). Similar is the case with the agricultural production system. Market orientation in agriculture means producing and marketing food at the right time as per customer demand. This implies a shift from a supply-driven agricultural production system to a demand-driven production system (Vaswani *et.al.* 2003). In a study on the market orientation of food-processing firms and the economic implications of this, it was found that the performance of food-processing firms had improved following the adoption of market-oriented concepts and that innovation had been accelerated (Moore and Gorham, 1965).

A total of 50 farmers cultivated hybrid tomato in the *kharij* season in 4.1 acres of land. They produced about 130 qt of tomato and earned Rs. 146,266. They got a maximum of Rs. 20/kg and a minimum of Rs. 8/kg for their produce. On an average, each farmer earned a net profit of Rs. 2,925. The expected cost-benefit analysis of the tomato-based intervention is presented in Table 6.

The major crop cultivated in *tand* land is maize. In the same region and in the same type of land, 35 farmers cultivated maize in 2 acres and produced a crop of 56.4 qt. They earned a minimum of Rs. 2/kg and a maximum of Rs. 5/kg for their produce, and earned a total net profit of Rs. 16,915. On an average, each farmer earned about Rs. 483. The profit earned from the market-oriented hybrid-tomato intervention was six times more than the earnings from the normal crop production in this region.

Similarly, in the case of bitter gourd, 30 farmers cultivated the vegetable in 2 acres and produced a crop of 39 qt. They got a minimum of Rs. 8/kg and a maximum of Rs. 12/kg for their produce, and earned a net profit of Rs. 40,500. On an average, each farmer earned a net profit of Rs. 1,350. The profit earned from the market-oriented cucurbit-based intervention was 2.79 times more than the earnings from the normal crop production in this region. This crop was cultivated in *badi* areas.

The expected crop-benefit analysis is presented in Table 7. The comparative analysis of profits from various crops is presented in Table 8.

**TABLE 8: COMPARATIVE ANALYSIS OF PROFITS FROM DIFFERENT CROPS**

S. No.	Crop Cultivated	Total Number of Farmers	Total Area under Cultivation (Acres)	Maximum Price of Produce Obtained (Rs.)	Minimum Price of Produce Obtained (Rs.)	Total Net Profit (Rs.)	Profit Per Farmer (Rs.)
1.	Tomato	50	4.1	20	8	146,266	2,925
2.	Cucurbit (bitter gourd)	30	2	5	2	16,915	483
3.	Maize	35	2	12	8	40,500	1,350

It has also been argued in the literature that the overriding objective of market orientation is profitability (Felton, 1959). The findings of this study are in line with the general argument in the literature that there is a positive relationship between market orientation and profitability (Narver and Slater, 1990).

## CONTRIBUTION OF THIS STUDY AND IMPLICATIONS FOR PRACTITIONERS

The case studies examined here show that a market-oriented strategy can help farmers earn more profit from the same resources. These interventions can be designed without much effort. The only things necessary are focused attention, market orientation, and market analysis. Practitioners in the field can analyze their local context, particularly by conducting market analyses of demand and supply gaps at specific times, and then design interventions for the benefit of farmers. This study will not only assist in designing such interventions but will also help farmers in increasing their income. If farmers quit farming, growing population pressure and increasing demand for food will endanger the food security of a country. To help farmers continue farming, it is necessary to help them increase the profitability of agriculture. Market orientation can be an important step in this direction.

## LIMITATIONS OF THIS STUDY AND FUTURE DIRECTIONS FOR RESEARCH

This paper attempts to illustrate some of the best practices in the field. It does not test the impact of market orientation on business performance quantitatively. Quantitative analysis of the impact of market orientation on agricultural profitability can be an interesting area of research. Testing some of the general business models in the context of agriculture will also provide useful insights for ensuring the success of agribusiness.

## CONCLUSIONS

The general belief that agriculture is less profitable and more risky compared to other business ventures is not always true. The adoption of some market-oriented cultivation practices could result in very good profits from the same level of resources. In the two case studies described here, it is clearly shown that the profits were 6 times (Tomato) and 2.79 times (Cucurbits) in market-oriented intervention than the normal crop practices in the region. These findings suggest that with a little effort farmers can earn a good profit from agriculture. We must accept the fact that agriculture is an entrepreneurial activity like any other and hence needs a managerial orientation for making it a profitable venture. Adopting a market-oriented strategy will help farmers in earning more profits, in securing their livelihood, and in enhancing the food security of a country.

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