

**ROLE OF ADVERTISING IN MARKETING AGRI-INPUTS
IN THE DYNAMICALLY CHANGING MARKET SCENARIO**

BY

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The objective of this Rural marketing seminar is to explore new and innovative channels for efficient delivery mechanisms and ensure quality agri inputs to our farmers. In this context, we are now examining what role advertising has to play in the marketing of agri-inputs in the changing market scenario.

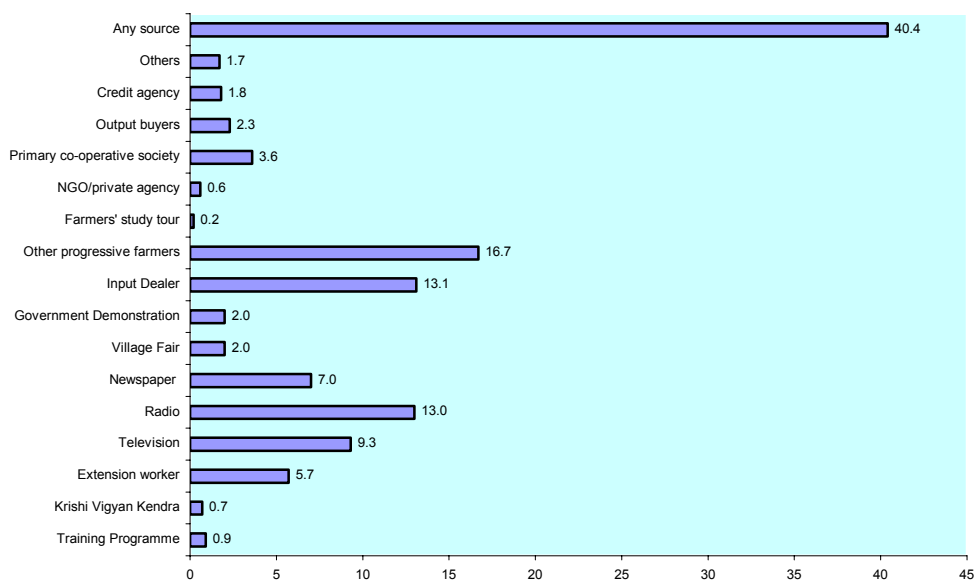
Whatever may be the product, advertising plays a most crucial role in connecting the consumer with the product and this is true of agri products too. Advertising has four basic functions, irrespective of any category. It has to generate awareness among target consumers, arouse their curiosity and interest, create a desire to own it and ultimately resulting in the desired action of their purchasing the product.

Therefore any advertising has to result in an action, and the action itself may be different for different initiatives.

In the field of agri-product marketing, it would be better to get a perspective of the efforts of the past in order to learn what should be done in the future. If advertising has to play the role of a catalyst through dissemination of knowledge, we need to understand certain base level realities of the impact so far. I therefore thought it won't be out of place to review the performance of advertising and marketing efforts undertaken so far to see the broad picture.

A recent study conducted by NSSO provides us some real good insights. The study was conducted among 51,770 farming households in 6638 sample villages to understand how farmers get access to knowledge and information about existing and new technologies in farming practices.

PERCENT OF FARMERS ACCESSING MODERN TECHNOLOGY BY SOURCE



If you look at this chart, it shows that majority of the farmers did not access any source of information on modern technology. And only 40% of the sample accessed such information. If you look at the source of information, the farmers sought to know more from other farmers, input dealers followed by radio and television which includes advertisements by private input suppliers.

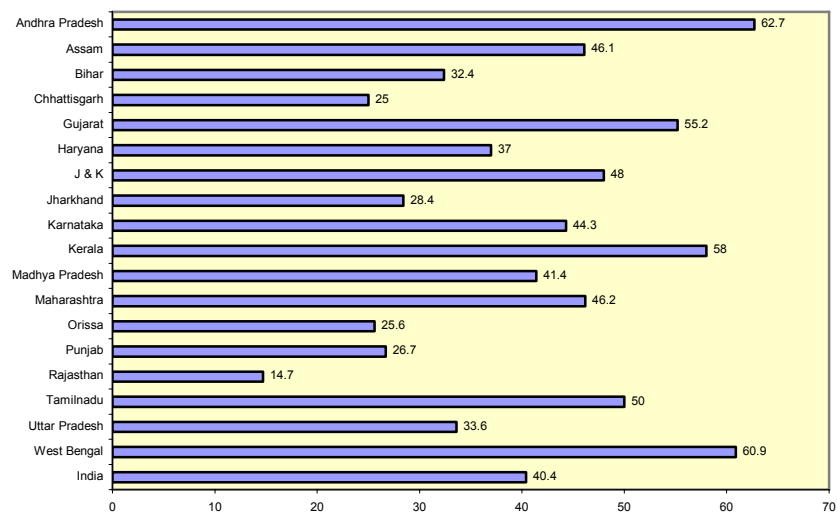
The most significant fact is the almost negligible role played by private agencies. Agencies like agriculture extension workers, govt. bodies, Krishi Vigyan Kendras were accessed only by 8.4% of the farmers surveyed.

Even the local cooperative societies had less than 4% of farmers using them as sources for information on new cultivation practices.

You can then imagine the impact of the crores of rupees spent by both state and central governments in establishing and running these organizations.

Extension officers are often inadequately trained and do not receive continuous training to keep them updated on new developments. Moreover, one officer is expected to cover a large area which is physically not possible due to lack of basic facilities like transport and communication.

PERCENT OF FARMERS ACCESSING MODERN TECHNOLOGY BY STATE



It is also interesting to note that in highly commercialized states like Punjab and Haryana only a minority of farmers accessed information on new technology over the previous year. May possibly be, due to stabilization of cultivation practices because of which farmers may be of the opinion that they do not require any new knowledge.

Contrary to this trend, in states like AP, West Bengal and Kerala nearly two thirds of the farmers had accessed such information. The reason could be because Kerala has the country's most diversified agriculture. And in AP and WB there has been substantial diversification of cultivation and changes in cropping pattern in the recent past. Farmers in these states have been responding to rapidly changing market conditions.

What's knowledge exactly?

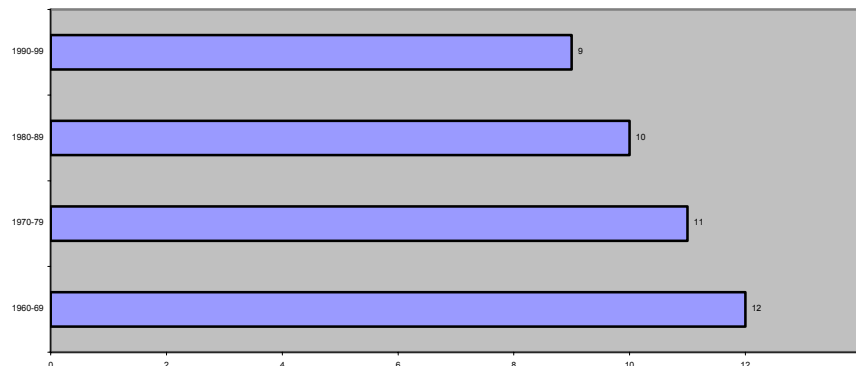
Only the most foolhardy would claim that Indian farmers, for example, are operating on the basis of ignorance and complete lack of basic information relating to their own activity, simply because they are not aware of the latest results of what may be corporate sponsored agricultural research.

The intelligence and efficiency of the Indian farmer is evident from the demand for his services requisitioned by developed countries. Soon, like the IT sector, Indian farmers may be dominating the world in farming activities.

The huge wealth of traditional knowledge and the remarkable ability of farmers to adapt and develop cultivation practices according to their own specific situation and experience, enable farmers to put their native intelligence to work for them.

Add to this, the declining productivity gains. As a case in point, consider the gain per kg of added nutrients. During the 60's the response to NPK was about 12 kg of food grains per kg of nutrients. This fell to 11 kg during the 70s and to 10 kg during 80's and a further fall to 9 kg during 90's and is still falling.

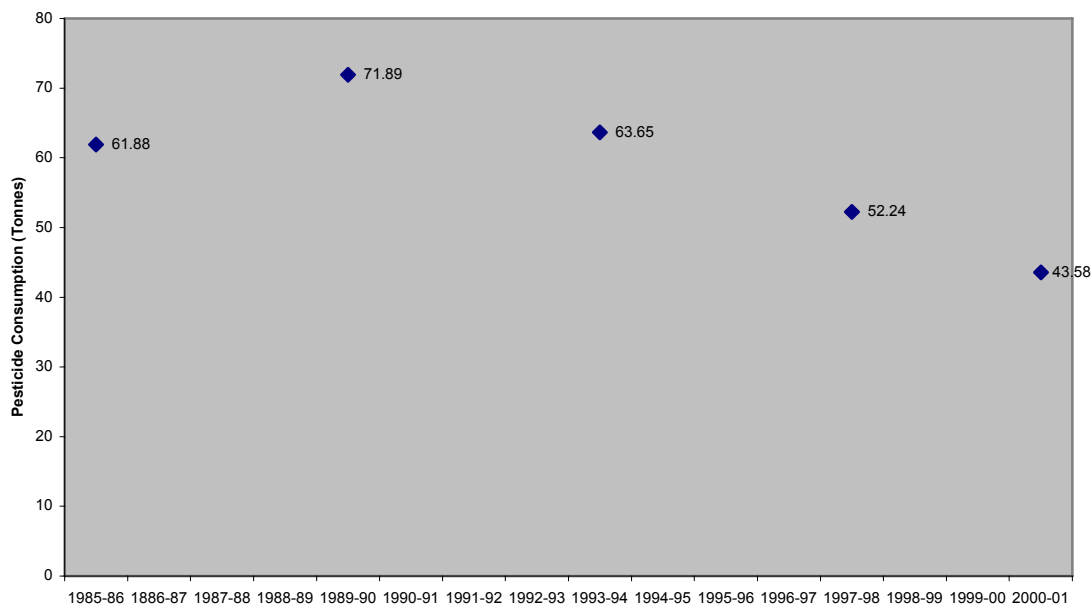
GAIN PER KG OF ADDED NUTRIENTS



On the other hand, with the awareness of the need for micronutrients due to their deficiency in the soil, farmers have adopted them in their package and practices despite withdrawal of subsidies on these inputs by the government.

A look at the drop in consumption of pesticides (technical grade material) is a true reflection of the farmer's sentiment when he is empowered with the right knowledge to aid his decision making process.

YEAR-WISE CONSUMPTION OF PESTICIDES (TECHNICAL GRADE MATERIAL)



On the other hand, involving the farmer in a new initiative has shown extremely positive results. In the integrated pest management approach farmers were directly involved in imparting knowledge and skills using the farmers field school method, with demonstration of the effects in their own fields enabling them to become experts and evaluators of the technology instead of trying to make them possible acceptors of technology. This has resulted in avoiding excess use of pesticides, resulting in decline in sales which is evident from the graph.

But unfortunately, this experiment has not been implemented on a larger scale. The sustained efforts by state and central governments for over two decades has only been able to cover less than 5% of the total gross cropped area of 163 million ha. The reasons are obvious. From among over 10 lakh extension personnel deployed in various agricultural activities, so far only 2320 master trainers have been trained. And the no. of farmers trained in IPM approach is less than 1.5 million. Who will bridge the gap of reaching 127 million more cultivators?

Farming profession has become very risky. The suicide and bankruptcy of many farmers in recent times is a silent testimony of the grave situation. In today's context, given a choice, 40% of the farmers would quit farming, according to a survey conducted by National Sample Survey Organization.

You can imagine what kind of disastrous impact such a scenario can have on the manufacturers of agri-inputs and the consequences on the people dependent on these institutions as well as the country's economy itself.

While policy makers are charting out new strategies to combat the situation, let's now look at the impact of globalisation and the challenges of change brought out by opening up of the Indian economy.

Challenges of Change in the Products

Indian farmers will be bombarded by many more global agri-input brands whose track record elsewhere need not necessarily be taken for granted in the Indian soil.

The recent controversy relating to costly BT cotton which was embraced by farmers as some kind of magic bullet should be an eye opener. In reality, BT cotton has not only been attacked by other pests, it has been struck by the bollworm itself, which shows how vulnerable our farmers are.

Indian manufacturers with their vast experience and expertise, need to bring out world class products that are relevant to Indian conditions to fight the invasion of the unknown. The sooner we do, the better for us.

Challenges of change in farming business

The entry of corporates in the farming business is bound to change the dynamics of input marketing scenario in India.

ITC e-choupal, DSCL's Hariyali, Farmers World Supermarket concept by the Karnataka Government, Shubh Labh stores of M&M, Escorts rural stores, the opening up of retail FDI into foods with farmers being projected as direct beneficiaries, the advent of contract farming and such other new age initiatives are sure to change the way of agri-input marketing from the present trade sales to non-trade bulk sales.

Challenges of change due to technology development

Various technological developments and their spread in the rural areas is gaining acceptance in a big way. Just to give an example, sugarcane farmers who had to wait at the factory gates for days together to unload their cane not so long ago, get their cane picked up by the factory and the payment is directly credited to their bank accounts, thanks to technology.

Akshaya, the IT enabled agri business centers in Kerala, Gyandoot, a similar initiative by MP, I-Kisan initiative by Nagarjuna Fertilizers, India Agriline by EID Parry, Mahindra Krishi Vihar by Mahindra & Mahindra, TATA Kisan Sansar Parivar, AGMARKNET and such other initiatives are changing the traditional farmer contact and knowledge dissemination methods.

What will be the role of advertising in such a dynamic and challenging market place?

Firstly, it is very important for the decision makers at the manufacturers end to change their mindset. With due respects to their knowledge, experience and expertise in the subject, they must be open to the idea of engaging specialists in communication who

have wider experience and better insight into the rural man's psyche in the changed scenario and will be able to look at the marketing and communication task holistically.

Secondly, engage research specialists who have relevant experience to dwell deep into the man's mind and provide the required qualitative information, which will provide answers as to the why's of what's happening, to be well armed for the emerging combat.

Thirdly look at their products not from the point of view of what it can provide the consumer but, to how it can satisfy a consumer need in the changed scenario including competitive advantage over others.

This will no doubt, result in additional work load for the R&D, which will also be burdened with keeping pace with changing needs of the market.

But the efforts put in could result in re-positioning exercise, and the advertising communication can play a major role.

For example, instead of crop growth and disease control platforms, communication can promote the Crop Management aspect to engage the more knowledgeable and educated younger generation farmers, who look at the economics of the business called agriculture.

Fourthly, create a new database of farmers or make use of the available database to your advantage.

There are nearly 41 million Kisan Card holders, over a million BSNL mobile connections, over 5.22 lakh village public telephones, over 1.38 lakh post offices. These opportunities can be used to create local brand ambassadors who can quickly disseminate information.

Nearly 42 million rural HH are availing banking services, over 55% of LIC policies sold are in the rural areas. No doubt it's a mammoth task to access these data, but it will become absolutely essential for quicker and efficient access to rural.

Use Technology to the hilt

- a. Mobile phone users are on the increase in the rural. In fact, in one of our recent surveys for a service provider, we discovered that even in small villages with only 500 population, there are a few mobile owners. And since mobiles are the new status symbol in the rural, most of the opinion leaders like big farmers and dealers are going to be the early adopters. This will enable continuous relationship building through tele-marketing and faster dissemination of information.
- b. Television's and Radio's potential is immense, not just for airing the commercial. They could be innovatively used for interactive programming to provide real time solutions to local needs. Right now phone in entertainment programmes are the order of the day and many callers are from the rural. We must work with channels for all round benefit by synergising these technologies.

- c. Today, TV and cable have penetrated to a vast majority of households in the rural. There's a well established network of Cable TV distributors who have the most potent tool for information dissemination, of course we need to create their database and engage them to perform a new role.
- d. During crucial periods of cropping, corporates can embark on a video conferencing with local farmers, using the services of the local cable TV distributor since the broadband connectivity will soon be spreading far, wide and deep.
- e. Collaborate to minimize cost of contact: Tie-up with NABARD & local cooperative Banks for strategic access to the specified groups of farmers. Tie-up with insurance agencies for joint promotion of farmers welfare related products to go beyond farm inputs and strengthen relationship with the target groups.
- f. Train the Trainers: Since reaching out is becoming time consuming and expensive, select local educated youth and train them in areas of importance, so that they can in turn disseminate relevant information. In fact there are organizations like Nehru Yuva Kendra and local youth clubs whose resources could be tapped.

Sum Up

There's an urgent need to go beyond what's being done today in order to achieve the end objective of advertising. The methodologies need to undergo changes, to keep pace with the changing farmer and the technology.

- *Bridge* the gap of time, language, culture and geographic distinctions to remove obstacles in communication using technological innovations.
- *Bond* with the new generation target audience who do not follow traditions blindly. Develop a mutually beneficial association with scientific knowledge share.
- Develop a sense of collective identity with the younger generation farmers, encouraging innovation, recognizing their contribution and collaborating with them creatively to make them the new entrepreneurs.
- Create an environment for shared commitment to ultimately enhance their involvement and *pride*.

Acknowledgements

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The author has over 20 years experience in developing communication for various farm inputs. And for the last 10 years, has specialized in Rural Communication Development for non-agri product categories and services for both national and multinational clients.