

E-COMMERCE and AGRIBUSINESS**Debasis Dash¹,**

Asst. Professor of Marketing, United School of Business Management, Bhubaneswar

Ashabikash Mohapatra²

Asst. Professor of Marketing, United School of Business Management, Bhubaneswar

Abstract

Agriculture in India is the major sector of its economy. These sectors provide employment to 60% of the country's total population. About 43% of the country's total geographical area is used for agricultural purposes. Almost two-thirds of the total work-force earns their livelihood through farming and other allied sectors like forestry, logging and fishing which account 18% of the GDP.

Agriculture in India is one of the largest sources of livelihood of its population, a component of domestic products and touches almost every sphere of economic activity. The annual production of more than 500 million tones of food and non-food commercial crops and agricultural based products such as poultry, dairy, horticulture and floriculture indicate huge share of agriculture in economics success of our country.

Production is really optimistic but still the condition of marketing is not as satisfactory. There are so many defects in the present marketing system. To overcome these defects new techniques and trends should be adopted. One of which is E-agribusiness!

Introduction

E-Commerce is otherwise known as Electronic Marketing. It consists of buying and selling goods and services over an electronic systems Such as the internet and other computer networks. E-commerce is the purchasing, selling and exchanging goods and services over computer networks (internet) through which transaction or terms of sale are performed electronically.

What is E-agribusiness?

Technically it can be defined as any form of business transaction in which the parties interact electronically rather than by physical exchanges or direct physical contact. Doing agribusiness online through internet is generally referred to as electronic agribusiness. In short it is called as "E-agribusiness".

It is also referred to as application of e-commerce in agribusiness. Basically it is Information Technology (IT) based agribusiness. Therefore, E-agriculture is a promising area encompassing the agricultural value chain through the application of internet and related technologies.

Application of E agriculture encompasses all agriculture and infrastructure projects in which ICT has the potential of enabling the empowerment of the community, such as: Providing Internet Demand Based Agriculture Information through ICTs helping farmers to access information on

commodity prices. Such practices are adopted for cultivation crop care and in forging direct relationships with potential buyers in order to provide better value for their produce.

It has the primary objective of helping farmers to access information on commodity prices. Multipurpose community centres enhancing access to the farming community, to information related to but not only agriculture. It also has huge impact on other areas of life such as education, health and products required for daily needs besides facilitating between the village community and the rest of the world.

Market: The Maharashtra State Agricultural Marketing Board had initiated use of IT in agricultural marketing.

MSAMB has launched www.msamb.com website on this website comprehensive information of MSAMB is incorporated. All information is available in Marathi and English version.

Digital Mandi: It is a unique e-trading platform having special features that enable the farmers to reap the most out of the opportunity prices of major *mandies* are transparently provided on computer screen, giving the farmer the choice to sell his stock in more profitable market.

E-agriculture also provides information needs of various players in the agri value chain.

Some Special Features of E-Agribusiness

1. Organized and centralized trading
2. Widely dispersed buyers and sellers with remote access.
3. Merchandising based on product description.
4. High trading volume.
5. Use of reliable grades and standards.

Scope and advantages of E-agribusiness

- There is a great scope for e-agribusiness in agriculture, especially in horticulture and processed products.
- Mango, grapes, spices etc. has large demand in national and international market.
- Farmers through the website of the organizations like *Maharashtra Draksha Bagayatdar Sangh or Rose society* can sell their produce on line.
- Products like sugar, tea, processed agri. products, dairy products beverages etc can also sold online to gain more profit.
- Farmers get up-to-date information about the market and can sell their produce through the electronic medium.
- **Global Market:** E-agribusiness provides a virtual global distribution market place. Internet is used by millions of people throughout the world and therefore, conducting business through this new system is unlimited and endless.

- **Inventory Costs:** E-agribusiness helps to minimize inventory costs many times by adopting just in time systems. It also enhances the firm's ability to forecast demand of an industry more accurately.
- **Consumer Service:** The cost incurred towards customer and after sale services generally account for not less than 10 % of the operating costs under e-agribusiness. Many of the services may be put on line along with improvement in product / service in quality.
- **Distribution Period:** Under e-agribusiness, the customers place orders immediately on the net and goods are delivered under normal way.
- **Easy reach:** With the help of internet small and medium size companies also get an opportunity to provide information on its products and services to all the potential customers in the world over with a minimum cost.
- **Direct link:** Through internet, companies can establish a direct link to customers and critical suppliers or distributors to complete transactions or communicate trade information more easily.

Obstacles in E-agribusiness

1. Computer illiteracy and unawareness about e-commerce.
2. Problems in internet connectivity.
3. Language problems.
4. Load shedding of electricity.

E-agribusiness: Global scenario

E-agribusiness and Internet access are revolutionizing the agribusiness sector in the developed countries. Trade, involving the Internet - e - commerce has boomed in recent years, rapidly reached to a significant position in the economy of country like USA, Canada, UK etc. The farming community has more readily embraced the Internet than the general population. Up to two third of producers are estimated to have Internet access and are using it to gather information used for decision making in business.

E-agribusiness: Indian prospective

India is an agro based economy with a competitive advantage in the world scenario in respect of biological, geographical and climatologically diversities. This enables India to grow a wide variety of crops even during the off-season to meet the continuous demand for agricultural products. India's presence is insignificant in the global scenario of e-agribusiness. E-agribusiness is not yet a way of life in the country. Currently, 90 % of the companies offer only information on the web. Only 10 % offer goods.

Conclusion

There is tremendous potential of e-agribusiness. As it expands, enormous opportunities would be created in the business of agriculture sector. E-agribusiness at global level depends upon global information and telecommunications network of countries. In future the development of Information Technology would largely depend upon growth Interact and its allied activities. It is absolutely necessary that Indian Agro based Industry gets ready to do business this medium.

