Conclusion

Agriculture foundation of Indian economy is not strong. Investment in agriculture is on the decline and there is deceleration of capital formation in agriculture. NFL is one of the major public sector undertaking in agriculture-related sector. Its brand image is relatively weak and the brand “Kisan” faces competition from CHAMBAL, KRIBHCO & IFFCO in its key markets. There is no concept of “Umbrella branding” as NFL does not supply the whole range of farming inputs like seeds, pesticides, etc. NFL does not have an effective control on private trader. The company sells only 20% through private channels as against the all India average of 31%. The average area covered by the retailer is around 10-20 Kms.

The retention price mechanism is helping the domestic private sector fertilizer units to get a subsidy to meet the gap between its production cost and sale price fixed by governments. Likewise, NFL is getting the benefit of subsidy. In addition, imported fertilizers are subsidized to keep the price at reasonable level. A Retention Price Scheme was introduced in 1977. The RPS was fixed for each individual fertilizer manufacturing unit, and the difference between statutorily notified maximum retail price and the cost of production as assessed by the government with post tax return of 12 percent on net worth termed retention Price was paid as subsidy to the manufacturing unit.
Higher prices of P&K have already led lower off take and a further reduction of their use. Consequently consumption of N has increased resulting in a totally imbalanced and destructive fertilizer mix.

IFFCO plans to deliver the benefits of the information technology at the doorstep of farmers. IFFCO along with KRIBHCO plans to provide information on Fertilizers and allied fields to farmers. It has done well in the field of value added services provided to the farmers. It is guiding farmers about balanced use of fertilizers and is also giving them “agro-climatic” information. It has initiated efforts to create a consortium of like minded institutions/organizations to carry the benefits of information technology to rural India. The objective is to take e-revolution to farmers & cooperatives and others living in rural India.

IFFCO's website contains substantial information on all aspects of IFFCO including plants, performance, joint ventures, several other documents such as Annual Report of IFFCO and activities of agricultural Services. IFFCO's investment and Diversification activities, services to farmers, detailed information on various aspects of IFFCO activities are included. A module on package of Practices for Punjab is provided and for all the state these are proposed to be covered in a phased manner. In addition, list of mandies is also provided along with a module on Agricultural Statistics. Brief overview of the media coverage with respect to fertilizer sector, access to links of the websites of the ministries and institution and organizations related to
agriculture and fertilizer sector are available. Facilities to send questions to experts, participate in discussion forums and simple quizzes are added features of the site.

IFFCO regularly produce and give the complex fertilizer throughout the year, thus having a regular and continuous approach. Its prices are less in comparison to other companies which encourage the farmers to use their products, as they have shortage of funds.

The Storage of material of IFFCO is not done in scientific manner, which lead to confusion as counting is not done properly. Bags are piled roughly, which damages the product and creates problem related to accounts. Hence fertilizer bags should be piled cross wise or block wise and the stock should not be more than 10-15 bags higher.

The inventories in co-operatives are the main problem. The colour of bags in godown fades and their condition also deteriorates. Enough air space is not there, which is very much essential to preserve the products from damaging.

The Indian fertilizer industry is emerging from a state of protectionism and is poised to take on the global challenges that lie ahead. The growth of the Indian fertilizer industry has been phenomenal and probably unprecedented. The country currently produces enough food to feed its 1.03 billion population as a consequence of the “green revolution” of 1960, and in no small measure
owing to the sustained growth of the fertilizer industry. India ranks second in the world in wheat and rice production.

Fertilizer is recognized as an essential input needed for increasing foodgrain production and for other agricultural commodities that ensure a country’s food security needs. It also provides the necessary impetus for a rapid and sustained agricultural growth. In India, almost 50 per cent increase in foodgrain production could be attributed to the increase in fertilizer consumption.

During 1980 to 1995 several plants were commissioned based on natural gas feedstock raising the total installed capacity of “N” nutrient to the present day capacity of 11 million tons bringing India’s contribution to approximately 12 per cent of the total 91 million tons “N” produced in the world.

The new fertilizer policy aims at providing means of subsistence for 70 per cent of the poorest households with some additional income. Out of the 105 million households engaged in cultivation, obviously the small and marginal farmers constituting the poorest of the poor (closer to 50 percent of farmers) need to provide adequate means for their subsistence.

A major factor that encouraged the growth of the fertilizer manufacturing industry was the objective of providing fertilizer to farmers at an affordable price and ensuring adequate returns on investments to entrepreneurs, a fertilizer policy was envisaged of providing fertilizer to farmers at subsidized
prices, to induce farmers to use fertilizer for food production and to compensate them for the output.

**Suggestions**

In the light of the findings and conclusions it is suggested to the companies, to redesign its marketing strategy on the following lines so as to maintain and increase its position in the market.

1. With regard to the strategy, NFL is advised to introduce the policy of ‘sell on credit’.
2. NFL should improve the quality of urea from powder to granulation. This will help NFL in terms of reputation and will also improve its market position.
3. There is an urgent need to educate the farmers regarding NFL’s products for that various programmes are required to be launched so as to fill up the gaps between company and final consumers.
4. The company should make the urea available in HDP packaging to the maximum possible extent.
5. NFL should have professional management and full autonomy as recommended by the Disinvestment Commission in its earlier report and also its capital and technological base must be restructured.
6. Unlike some other PSU’s, NFL has both production and distribution linkages. At any point of time, there should be confidence among the Indian farmers that there is a giant fertilizer producer like NFL in the public sector in India to meet their fertilizer needs and the farmers need not be fear any threat of manipulations generally attributed to the
private sector as its aim is profit maximization only, rejecting social responsibility and social justice to the poor farming sections of society.

It is logical and necessary corollary that Indian Agriculture must have a strong companion, a supplier of fertilizers in the public sector.

7. NFL should be treated as ‘core’ enterprise and be retained and fully developed in the public sector. It has exhibited its potential in the past few years and given the autonomy, professional management and funds, there is no reason why NFL should fail to earn and retain a prominent place in the national and global fertilizer market, notwithstanding its integration into the global economy.

8. The empty urea bags should be taken back from the consumers and it should be reused by the company. It will be advantageous to both sides- the consumer will get the cost of the empty bags, while the producer will get the bags at cheaper rates.

9. The possibility of rail-platform sales for products is much brighter.

10. As far as possible, lowest stock should be kept in warehouse. It will reduce the unwanted clerical cost.

11. In the case of IFFCO, it will be in the interest of the organization that the supply of products is restricted only within the economic zones. Though it may lower down the total sales, but increase the total profits because supply beyond economic zones needs heavy transportation cost and other labor charges.

12. IFFCO should organize farmer festivals so as to attract them towards its products.
13. IFFCO should introduce some training programmes from time to time to the field workers.

14. IFFCO should give some monetary intensives for higher sales.

15. IFFCO should encourage its own workers for better performance.

16. IFFCO should adopt modern media techniques for sales i.e., sales through sites.

17. The primary co-operative societies and the field staff are the actual workers of the organization and they are the only channels who have to face the real problem. Therefore, there should be proper upward communication system so that the societies and field workers may communicate their problems step by step to the higher authority.

India, being a predominantly agricultural economy, cannot depend upon import of fertilizer or production of fertilizer in the private undertakings which may have an important share in the Indian market. It is also noted that there are some fertilizer units in the co-operative sector. However, what is very crucial is that an agriculturally predominant economy must have a strong and assured supply of fertilizers at prices commensurate with low prices of food grains and other farm output. This is all the more imperative when the public distribution system meant for vulnerable sections and low inflation depends upon the procurement of food grains from the farmers at more or less half the market price. Agricultural markets are the most imperfect ones and an important key input like fertilizer cannot countenance uncertainty and vigorous competition from private sector units either in the domestic market or overseas units which are functioning in a totally different type of an economy.
where agricultural sector contributes hardly 3-5 percent of the GDP. In contrast, in India, agriculture accounts for nearly 33 percent of GDP and yet supports nearly 65-68 percent of the population. The future scenario could be that while agricultural sector's contribution to GDP may decline to about 18 or 20 percent, the work force depending upon it would certainly not decline in that proportion. On the contrary, it would continue to be the source of employment for still 60 or higher percent of the population.