

Dr. SNS RAJALAKSHMI COLLEGE OF ARTS & SCIENCE (Autonomous)
Coimbatore -641049

Accredited by NAAC(Cycle-IV) with 'A+' Grade
(Recognized by UGC, Approved by AICTE, New Delhi and
Affiliated to Bharathiar University, Coimbatore)

DEPARTMENT OF BUSINESS ADMINISTRATION (UG)

**COURSE NAME : BASICS OF AGRICULTURAL
BUSINESS MANAGEMENT
III YEAR / VI SEMESTER**

Unit 3: Consumption and Marketable Surplus



21.01.2026

**Ms. Pavithra. C.R B.COM (PA)., MBA., (PhD) |Assistant Professor: Business Administration (UG): Title:
Consumption and Marketable Surplus**

1/11



Consumption and Marketable Surplus

Basics of Agricultural Business Management: Functional Retail Management

Session Overview

Core Concepts

Understanding consumption patterns and marketable surplus in agricultural retail management

Interactive Learning

Engaging activities including polls, discussions, word clouds, and group exercises

Practical Application

Real-world case studies, assignments, and design thinking activities for hands-on learning

**Ms. Pavithra. C.R B.COM (PA)., MBA., (PhD) |Assistant Professor: Business Administration (UG): Title:
Consumption and Marketable Surplus**



Understanding Consumption Patterns

- **Farm household consumption:** Portion of produce retained for family use and sustenance
- **Subsistence vs. market-oriented:** Balancing personal needs with commercial opportunities
- **Consumption determinants:** Family size, income levels, cultural preferences, and seasonal variations
- **Impact on supply:** Higher consumption reduces marketable surplus available for retail channels



Marketable Surplus: The Foundation

Definition

Marketable surplus refers to the quantity of agricultural produce available for sale after meeting household consumption needs, seed requirements, and payment obligations in kind.

Calculation Formula

Marketable Surplus = Total Production - (Own Consumption + Seed + Wastage + Payment in Kind)

Market Influence

Determines supply availability, pricing dynamics, and retail inventory management in agricultural business operations.

Classroom Interaction Activities



Quick Poll

Duration: 3 minutes

Question: "What percentage of your family's farm produce goes to market?" Students respond using digital tools or hand signals to gauge understanding.



Think–Pair–Share

Duration: 3 minutes

Students individually consider factors affecting marketable surplus, then discuss with a partner, finally sharing insights with the entire class.



Word Cloud Activity

Duration: 3 minutes

Students submit keywords related to consumption and surplus. The collective word cloud reveals common themes and understanding gaps.



Personal Reflection

Duration: 2 minutes

Individual journaling: "How does marketable surplus impact my local agricultural community?" Encourages personal connection to concepts.

Factors Influencing Marketable Surplus

01

Farm Size and Productivity

Larger farms with higher yields typically generate greater marketable surplus

02

Price Expectations

Farmers withhold produce anticipating better prices, affecting immediate supply

03

Storage Facilities

Adequate warehousing enables farmers to time market entry strategically

04

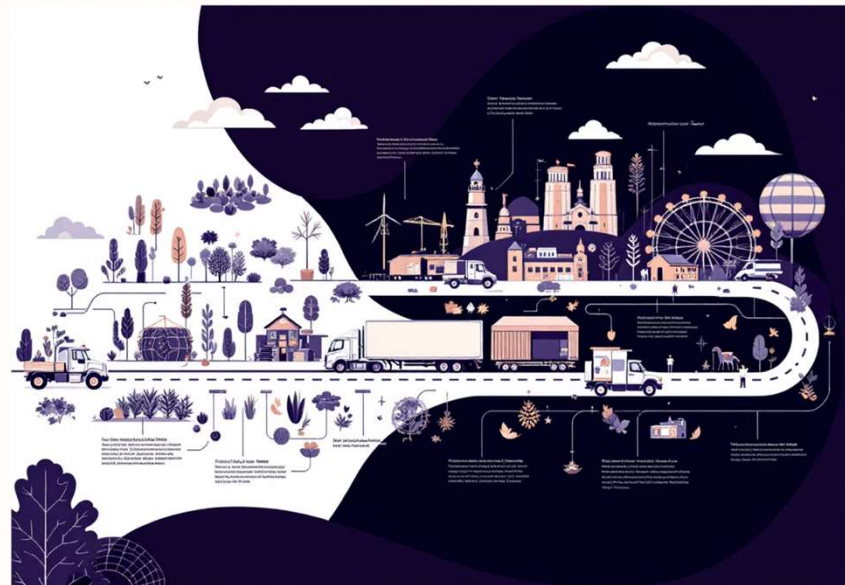
Market Access

Transportation infrastructure and market proximity determine selling feasibility

05

Credit Availability

Debt obligations may force immediate sale, reducing farmer bargaining power



Interactive Case Study

Ramesh's Tomato Dilemma

Ramesh cultivated 2 tonnes of tomatoes. His family consumes 100 kg, seed retention requires 50 kg, and 150 kg spoiled due to inadequate storage. He owes his landlord 200 kg as rent payment.

Discussion Point

1

Calculate Ramesh's marketable surplus and discuss strategies to increase it

Discussion Point

2

How could improved storage reduce wastage and enhance profitability?

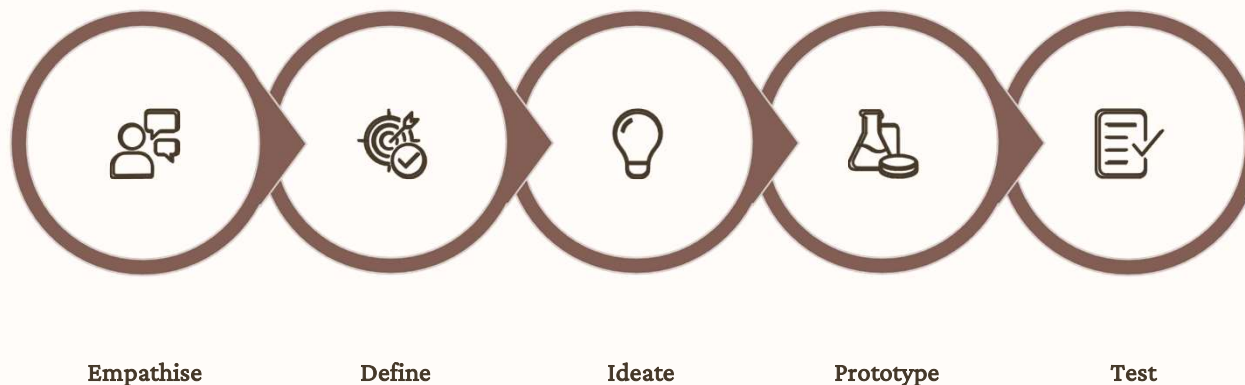
Discussion Point

3

What role do market prices play in Ramesh's decision to sell immediately or store?



Group Activity: Design Thinking Challenge



Students apply design thinking to solve real agricultural retail management challenges, developing innovative approaches to enhance marketable surplus.

Activity Stages

- **Empathise:** Interview local farmers about surplus challenges (5 min)
- **Define:** Identify key problems affecting marketable surplus (3 min)
- **Ideate:** Brainstorm innovative solutions in groups (7 min)
- **Prototype:** Sketch business model or intervention strategy (5 min)
- **Test:** Present and receive peer feedback (10 min)

Expected Outcome: Actionable proposals for improving agricultural retail management through enhanced surplus utilisation.

Key Learning Points & Assignments

1

Summary Takeaways

- Marketable surplus drives agricultural retail supply chains
- Consumption patterns directly impact market availability
- Strategic factors influence farmer selling decisions
- Improved infrastructure enhances surplus utilisation

2

Take-Home Assignment

Field Research Task: Interview three local farmers to document their production, consumption, and marketable surplus figures. Analyse factors affecting their selling decisions and prepare a 500-word report with recommendations for improving surplus management.

Submission Deadline: Next class session



Thank You!

Questions & Reflections

What aspects of consumption and marketable surplus will you explore further in your agricultural career? Share your thoughts and questions now.

[Continue Learnin](#)[Access Resources](#)