The subject of the foodgrain marketing is selected by me primarily for two reasons. I came across the subject of marketing of agricultural output in the course of studies carried out by me on "Economics of Cotton Production in Gujarat" from 1976 to 1980. The variations in the market structure and inadequate share of cooperatives in cotton processing and marketing, inspite of good infra-structure, compelled me to believe that the extent of competition offered by the private traders dealing with processing and marketing of cotton is rather underestimated. The reason behind successful existence of the private traders in cotton is not the absence of an alternative system of processing and marketing of cotton but perhaps their efficiency. It made me rather anxious to know about the marketing of foodgrains in detail as majority of the farmers grow foodgrain which is essential for feeding the urban population, which in turn contributes to industrial production.

The second factor which aroused my interest in the foodgrain marketing is the existence of controversy over the performance of private traders, which appears in the literature available on foodgrain marketing in
India. The private traders are generally considered as exploitative and harmful to the society. However, a few of the studies carried out in recent past, have shown that the private traders dealing in foodgrains are quite efficient and they seldom exploit the producers as well as the consumers. Hence, the long held belief regarding the private traders is in jeopardy.

The efficiency in marketing of agricultural output determines, by and large, the welfare of the society. The producers can realise a fair price for their produce and the consumers can get the goods at desired time, place and in desired form, of course at a reasonable price, only when the market structure performs its functions efficiently. Hence, the efficiency of marketing assumes a great deal of importance in an agrarian economy. Since the foodgrain crops share a large part of the gross cropped area among all the size groups of farmers, the marketing of foodgrains is selected as a subject of study.

The sense of gratitude which I feel towards my guide, Dr. S.B. Mehta, Professor of Economics, Gujarat College, Ahmedabad is beyond words. I feel elated in
recording here his guidance which made me understand the problem, in its real context, analyse the data and present the results in a desired form.

I am grateful to Dr. S.M. Patel, Director, Institute of Cooperative Management, Ahmedabad, for providing me with all necessary facilities for undertaking the study. Shri J.C. Shah, Administrative Officer, Institute of Cooperative Management proved to be a continuous source of inspiration throughout the course of this study, besides helping in all possible manners.

I am also thankful to the librarians of Gujarat University Library, Sydenham Library of Gujarat College and Vikram Sarabhai Library of Indian Institute of Management, Ahmedabad for the facilities which they provided during the course of this study.

My thanks are also due to Miss Hasumati P. Khatri of the Institute of Cooperative Management for her excellent typing work. The sincerity and zeal with which she typed the manuscript reduced the burden of correction to a large extent. I also express my thanks to Shri Ashwin G. Patel, who typed the draft copy of the manuscript.
My friend Dr. N.T. Patel of the Indian Institute of Management helped me in computer programming work. I take the opportunity to express my deepest sense of gratitude towards him for his help.

Lastly, I would like to record the special gratitude which I owe to my father and my wife for the initiative provided for the study and the responsibilities of the family shared in order to help me in concentrating more on my work.

Ahmedabad
Vijaya dashami
27-10-1982

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