PREFACE

Agricultural Marketing plays a very important role in the Indian economy. In a country where agriculture contributes to 25 per cent of the National Income and provides employment, directly or indirectly, to 40 per cent of the population, the efficient marketing of farm produce gains substantial importance.

The agricultural marketing system in India has to raise upto the challenge of providing food security to the more than 100 crore citizens living in the 5,50,000 villages and 5,545 urban agglomerations spread over a vast area of 3,287,263 square kilometers.

In addition, it must provide an opportunity for the millions of farmers to sell the whole of their mostly meager produce at a fair and reasonable price in order to provide them with the incentive to continue the only economic activity they are capable of taking up given their limited resources, skills and talents.

While a few attempts were made by the Government to strengthen the wholesale marketing system for agricultural produce over the years, the retail marketing system for farm produce was a much neglected area. The traditional retail marketing system for farm produce in urban areas in India was ill-equipped to meet the demands of an ever growing urban population and was creaking under the pressure of expectations of participants in the marketing process.

A major crisis in the sector in Andhra Pradesh in the late 1990s attracted the attention of the general public, the media, the intelligentsia and the Government and the search was on for an innovative solution to the crisis in the retail marketing system in urban areas.

The Rythu Bazaar Scheme was designed and introduced by the Government of Andhra Pradesh incorporating theoretical concepts like direct marketing, farmer empowerment and the development of “connectivities” between rural and urban areas.
The initial success of the scheme captured public attention and interest not only in A.P but also in all parts of the nation. While one cannot deny the fact that a number of shortcomings and lapses have crept into the system over the last six years, the scheme continues to be popular with the general public testifying to the basic fact that these markets satisfy a “felt-need” in the market.

Successive Governments have invested substantial resources for the administration, expansion and rationalisation of the scheme. It is imperative that every effort is made to ensure that the markets are run in an efficient and effective manner in order to provide a stream of benefits to both farmers and consumers.

The researcher is confident that the conclusions and suggestions forwarded as part of the thesis would be of use to the Government authorities and market administrators in ensuring a more effective management of the markets.

The researcher drew inspiration for the study from the belief of his Research Director that the marketing discipline in India must address itself to the task of improving the general level of income and standard of living of the millions of farmers, especially the small and marginal farmers.

The researcher draws satisfaction from the fact that during the last five years there have been spectacular changes in the retail agricultural marketing sector in urban areas in Andhra Pradesh. Most of the new institutions in the retail marketing system are primarily inspired by the Rythu Bazaar concept, justifying the choice of the subject for a thorough and comprehensive study by the researcher.