PREFACE

Marketing plays a crucial role in developed as well as developing economies creating demand for and supply of various goods and services. India is basically an agriculturally developing country and approximately 70 per cent of people are dependent upon agriculture and allied activities for their livelihood. Indian agriculture has taken a big leap in the last 60 years. Agriculture which had the responsibility to feed 350 million people in 1947, now it has to feed 1100 million with greater responsibility. India has achieved this feat by multi-pronged strategies and technologies such as green revolution, blue revolution and of course the latest Yellow revolution and is now poised for rainbow revolution. The compound growth rate in agricultural production is 2.7 per cent per annum since independence. Unfortunately the yield and return from the agriculture sector is relatively low than so many countries.

Marketing of agricultural produce poses innumerable problems to the farmers. Out of all of them, the problem of forced sales at the village level through the local traders, commission agents etc. - a problem highlighted right from the time of Royal Commission on Agriculture, 1928, and still continue to be a major one. Indian farmer suffers due to his weak bargaining position in relation to the middlemen who have been exploiting him over the decades. The wide marketing margins between the farm level price and that of wholesale traders on the one hand and between wholesale and retail level on the other have been totally defeated and have led to government intervention from time to time. Farmer’s share in consumer’s rupee is estimated to be just 40 paisa. In view of this, governments at central and state levels have therefore stepped into in order to prevent this exploitation by providing a framework of regulatory measures in relation to the marketing of farm produce.

Growing of vegetables and fruits also form part of agricultural farming and marketing of these items is most delicate and complicated due to their very nature. They are most perishable and need quick marketing and most of the occasions these markets are confined to local or regional level. Immediate steps are required for the marketing of
these types of products to secure reasonable price. In India, Horticulture crops cover about 6.8 per cent of area and contribute 18 per cent of gross agricultural output. At present, India is the largest producer of fruits and the second largest producer of vegetables in the world. Its share in the world production of fruits is 11 per cent and vegetables 7 per cent. Because of varied agro-climatic conditions, temperature, tropical and sub-tropical, India can produce a wide variety of fruits and vegetables. In spite of being the second largest producer of fruits and vegetables in the world after China only 1.8 per cent of total production is commercially processed which is far below the level compared to many developed and developing countries in the world due to changing in life style, growth of economy, increasing size of population, urbanization, and increase in the exports have raised the demand for fruits and vegetables significantly.

Andhra Pradesh is predominantly agricultural based state where about 70 per cent population lives in villages. It is the second largest producer of fruits, vegetables and flowers in the country. The area under horticulture crops is expanding at a faster rate. But the remunerative price available on vegetables and fruits to farmers in Andhra Pradesh is relatively very less when compared to the other states. There is no minimum support price (MSP) assurance to farmers on the cultivation of vegetables and fruits in the state. Consumers are also suffering with frequent price hikes.

In order to help both farmers and consumers and ensure the farmers get remunerative price for their produce and the end users get quality products at reasonable prices, the government of Andhra Pradesh had evolved a direct marketing initiative called Rythu bazaars during the year 1999. The government’s attempt to bridge the gap between farmers and consumers by setting up Rythu bazaars to help both sections bargain for a fair price has caught the attention of people at both ends and it became popular at once. One decade passed after the introduction of Rythu bazaars in Andhra Pradesh. No doubt the concept is good and it is well received by the people of Andhra Pradesh and motivating the farmers and consumers by giving their part of advantages. There is a commendable progress and recognition in the activity and a few practical implications and organizational deficiencies are noticed in the functioning. Against this background, an attempt is made to carry out a detailed study on the functioning of these bazaars and assess their beneficial impacts in North Coastal Andhra Pradesh.
At the outset, the researcher is indebted to many individuals and institutions for completion of research work of this nature. I express my deep sense of gratitude to my research director Prof. I Murali Krishna Rao, Professor of Commerce, Department of Commerce and Management Studies, Andhra University, Visakhapatnam, who has been the main source of inspiration for me in the present study. I am beholden to him for his continuous interest, encouragement, constant cooperation and valuable guidance throughout the course of study and for giving this thesis a distinct shape in spite of his busy schedule with teaching assignments and research work. I also express my sincere thanks to my joint research director Prof. A. Narasimha Rao, Dept of Commerce and Management Studies, Andhra University, who has given me inspiration, guidance and support in the completion of my thesis.

I am particularly grateful to my beloved professor and well wisher Prof. N. Subbarao, Professor of Commerce, School of Distance Education, Andhra University, Visakhapatnam, for his constant encouragement, guidance and help in the completion of this study. I am deeply indebted to Prof. R. Satya Raju, Head, Department of Commerce and Management Studies, Andhra University and Prof. D. Prabhakara Rao, Dean and Faculty of Commerce and Management Studies, Andhra University, Visakhapatnam for their cooperation and encouragement in the completion of the course as well as thesis work. I also express my gratitude to Prof. K. Sri Rama Murthy, Principal, College of Arts and Commerce, Andhra University. I am obliged to Prof N.L. Narasimha Rao, Director, School of Distance Education, Prof. P. Hrushikesava Rao, Former Director, School of Distance Education, Andhra University, Prof. G.V.V. Vijayakumar for their encouragement and help in the completion of this research work. My special thanks are due to Dr. A. Prabakar, Dr. G. Syamala Rao, Dr. K. Sivannarayana and others.

I am very much thankful to the authorities of University Grants Commission who are kind enough for selecting me to do the research work under its faculty improvement programme during the period 2000 to 2002. I am very much beholden to the management of the BVK College, particularly the Chairman, Sri G.S.A. Narasimham, Secretary Sri K. Ranga Rao, Correspondent Sri D. Sri Hari Raju and also the former principal Dr. K.B. Prasad who have permitted me to pursue my Doctoral Research work.
Many libraries and institutions have been visited during my research work such as Dr. V.S. Krishna Library, Andhra University, Visakhapatnam, and also libraries of GITAM University, Visakhapatnam, Centre for Development Planning Studies, Visakhapatnam. I have also visited libraries of Department of Economics, Department of Commerce and Management Studies, Academic Staff College and Agro-economic Research Centre of Andhra University, Director of Agricultural Marketing, Hyderabad. I am very much thankful to the authorities and also to librarians of theses institutions who have allowed me to carry out collection of data which is very much useful for my research work. I am grateful to my beloved friend Mr. V.V.S. Murty and his wife Smt. S.S.M. Lakshmi for extending all the support and suggestions and constant motivation during the collection and tabulation of data.

I convey my sincere thanks to Sri P.V. Satyanarayana Murthy, IAS, and Ms Annie Varghese Estate officer, Mr. Kiran Kumar R.O – RAMWC, other state officers who helped me in the study are Mr. B. Krishna Rao, Divisional Manager, APSRTC, Sri T. Ramachandar Rao, AD Marketing, Sri B. Ravi Kumar AD-Marketing, Smt. P.A.Sobha, DSO (City), Sri M. Chandrasekhara Rao, District Manager and Sri R. Venugopala Rao, AD-Horticulture.

I am indebted to Dr. G. Chandrasekhara Naidu, Vice Principal, BVK College, Sri K. Mallikharjuna Rao, Head of Department of Commerce, B.V.K. College, Mr. M.S. Hari Charan, (ex-student) who has taken the trouble of accompanying me in the field study. But for their help and moral support it would not have been possible for me to visit many number of times of all the Rythu bazaars in the study area. I also express my deep sense of gratitude to Dr. Kishore Varma, Assistant Professor of English, Dr. L.B. Engineering College for Women for his valuable suggestions in the completion of work.

My sincere thanks are due to my Colleagues and well wishers, Sri K. Ram Prasad, Sri Y. Sreedhar, Dr. V. Nageswara Rao, Sri M. Srinivasarao, Sri T. Govinda Rao, Smt. Ch. Lakshmi, Dr. CH.S.G.K. Murthy, Dr. K. Satyanarayana, Sri A.B. Nageswara Rao, Dr. O.S.R. Murthy, Sri G.S.P. Sarma, Sri K. Saibaba, Sri M. Ramachandra Raju, Dr. J.V.S.N. Murthy, Dr. D. Venkateswara Rao, Former principal, B.V.K. Junior College and all other colleagues.
I would like to express my deep sense of gratitude to my beloved wife Smt. Usha Rani, for her continuous encouragement and contribution in her own way in the completion of this work by patiently undertaking all my responsibilities and to my daughters Anusha and Navya for not disturbing me in the days of stress and strain during the course of the research work. Above all, I express my deep sense of veneration to my father Sri S. Bulliah and my mother Smt. Yasodamma and my brother Sri S. Srinivasa Rao and Sisters Smt. Rama Devi and Smt. Krishna Kumari and brother-in-laws for their encouragement, blessings and love and affection.

Lastly, I express my gratitude to Mr. M.S. Hari Charan for his efficient typing of the thesis and to M/s S.V.R. Book Binders for neat and efficient binding work.

S. RAMA MOHANA RAO