Chapter-I

Introduction

1.1 Introduction

From the very early stages of development of the human society, exchanges have become an indispensable part of human civilization. Even before the introduction of the money economy, there prevailed what economists termed as “barter system” based on direct exchange of goods for goods. As the peoples’ consciousness increased and population became larger, they had to produce more goods and services and exchange their surplus goods among themselves. Thus barter system started in olden days. And this barter system yields the present day marketing. However people were not fully satisfied with the barter system. So, people discovered the use of money as a means of exchange of goods and services. With the introduction of money as the medium of exchange, there came a change in the farming pattern from the self-sufficient village economy to the market economy of production for the market. “Trade there was, both in ancient and medieval India as today; international and overseas and that fairly on a large scale. But it was a trade in surplus or specialty which did not affect the basic self-sufficiency of the village and its place is being taken by large-scale, local and international commerce, a world-wide exchange of commodities, wherein an efficient marketing system becomes the indispensable key to the entire nation” National Planning Committee (1948). The objective of all economic activities is the satisfaction of human wants. In order to achieve this objective the manufacturers, miners and farmers undertake production of goods and services. But they will fail to achieve their objective if the goods and services produced do not reach the consumer who demands them at a time when they need
them. “It is marketing which helps making goods use to the society by getting them where they wanted, when they are wanted and by transferring them to those people who want them” (Sinha, 1976). However “Marketing is the performance of all business activities involved in the flow of goods and services from the point of initial agricultural production until they are in the hands of the ultimate consumer” (Macmillan, 1980). Thus, for the development of agricultural sector, it is essential to develop agricultural marketing so as to match with the production surplus, resulting from technological innovations and exploitation of the existing land water resources. Marketing and distribution can significantly help in improving the availability of goods and services and also provide a stimulus to greater production. Thus, more particularly, after the commercialization of agriculture, agricultural marketing became an essential aspect of human activities. Agricultural Marketing plays an important role in accelerating the pace of economic development in addition to stimulating production and consumption. Its dynamic function is of primary importance in both agricultural and economic development. As such marketing has been described as the most important multiplier of agricultural development. Marketing is as critical to better performance in agriculture as farming. Market reforms ought to be an integral part of any policy for agricultural development.

Although a considerable progress has been achieved in technological improvements in agriculture by the use of high-yielding variety seeds, chemical fertilizers, irrigations and by the adoption of plant protection measures, the rate of growth in farming in the developing countries has not attained the expected levels. This has been largely attributed to the fact that not enough attention has been devoted to the facilities and services which must be available to farmers if agriculture is to develop. There was general agreement till 1970 that the question of markets for
agricultural commodities has been neglected. Agricultural marketing occupies a fairly low place in agricultural development policies of developing countries. The National Commission on Agriculture (NCA, 1976) emphasized that produce must be satisfactorily marketed. Marketing is a complex subject. Marketing connotes a series of activities involved in moving goods from the point of production to the point of consumption. Agricultural marketing is the study of all activities, agencies and policies involved in the procurement of farm inputs by the farmers and the movement of agricultural products from the farmers to the consumers. The agricultural marketing system is a link between the farm and the non-farm sectors. It includes the organization of agricultural raw materials supply to processing industries, the assessment of demand for farm inputs and raw materials and the policy relating to the marketing of farm products and inputs. National Commission on Agriculture XII Report (1976), agricultural marketing is a process which starts with a decision to produce a saleable farm commodity, and it involves all the aspects of market structure or system, both functional and institutional, based on technical and economic considerations, and includes pre and post harvest operations, assembling, grading, storage, transportation and distribution. The Indian Council of Agricultural Research defined it as, “Agricultural Marketing involves three functions namely (a) Assembling (b) Preparation for consumption (processing) and (c) Distribution (dispersion)” (ICAR, handbook).

However, the agricultural marketing system ought to be understood and developed in a dynamic and growing agricultural sector, as a link between the farm and the non-farm sectors (Acharya, 1997). A dynamic and growing agricultural sector requires fertilizers, pesticides, farm equipment, machinery, diesel, electricity, packing material and repair services which are produced and supplied by the non-farm
industry and enterprises. The expansion in the size of farm input stimulates forward linkages by providing surpluses of food and natural fibers which require transportation, storage, milling or processing, packaging and retailing to the consumers. These functions are variously performed by non-farm enterprises. Further, if the increase in agricultural production is accompanied by a rise in real incomes of farm families, the demand of these families for non-farm consumer goods goes up as the proportion of income spent on non-consumables and durables tends to rise with the increase in real per capita income. Several industries find new markets for their products in the farm sector.

Therefore, among the role of institutions in agricultural development, marketing seems to be the most crucial. Agricultural marketing was, till recently, not fully accepted as an essential element in agricultural development. During the First and Second Five Year Plans, agricultural marketing did not receive any importance and therefore, it could not contribute its due share to the socio-economic changes of the country. Whatever development that took place in the sphere of marketing was due to gradual progress made towards the commercialization of agriculture as a result of its own dynamics and not to any specific government efforts. From mid-sixties the spread of Green Revolution through technological adoption was purposively supported through assured remunerative prices which are possible only through an efficient marketing system. The market regulation of agricultural produce in India has been more or less a permanent feature of agricultural marketing development planning to eliminate marketing deficiency of agricultural commodities and providing remunerative prices to farmers. The Royal Commission on agriculture much before the independence has stressed upon the importance of a dependable agricultural marketing system. The commission in its report suggested that the most hopeful
solutions of the cultivator’s marketing difficulties seem to be in the improvement of communications and the establishment of regulated markets.

The agricultural markets in India were highly imperfect due to oligopolistic tendencies, outmoded, inadequate and devoid of infrastructural facilities. The vicious circle of socio-economic constraints further made the working of agricultural marketing highly imperfect particularly for the poor peasants who produce under investment constraint and sell under conditions of ‘distress sale’. Under the present state of foodgrains market structure private traders have succeeded in enmeshing the farmers in a semi-feudal relation. The rural power structure is such that, when public institutions have been set up to raise the quality of marketing and extend the benefits to the weak and unorganized farmers, they have been perverted by these private intermediaries. The most common belief in the imperfections of the marketing conditions is that there is lack of competition among traders. The monopolist village shopkeeper and trader who also perform as monopoly, village trader dominates the rural agricultural marketing system. Marketing of various crops in various areas contain information on agricultural marketing organization reflecting predominance of villages’ sales within villages, the traders being patronized by big landlord and moneylenders. Subbarao (1989) points out that “the process of movement and transformation of use value of farm products is a very complex one with significant intra and inter-regional variations and inter-commodity variations”. So far as the structure of market is concerned, there is predominantly dependence of farmers on village money-lenders or traders. Farmers particularly big farmers also brought their produce to sell their produce directly to the commission agents or wholesalers. Thus, the agricultural marketing is being characterized as the “task of assembling the produce from widely scattered producers and moving them to the ultimate consumers
is performed by a chain of intermediaries through which the various foodgrains pass, and in the process, gain in value due to a change in time, place, form and ownership”.

The market structure on the pattern of type of agricultural market, therefore, consists of characteristics of the organization of a market which seem to influence strategically the nature of competition and pricing within the markets. In particular, there are number of traders, the degree of buyer and seller concentration, entry conditions and the extent of agent and product differentiation. It is said that the extent to which the benefits of marketing efficiency are passed on to the farmers, depends in large part on how competitive is the marketing structure. The competitive environment of market broadly depends on how does market conduct which refers to the patterns which enterprises follow in adapting or adjusting to markets in which they sell or buy. It includes such aspects, as, methods employed in determining price and output presence or absence of collusive tactics, etc. Though the economic results that flow from the system in terms of both technical and economic efficiency is largely influenced by the market structure and conduct, the government policies also affect the behavior and decision making of an individual in the market. Thus, the market structure may be broadened to include the performance flowing from regulation of markets and establishment of a well laid out market yard having all necessary marketing services.

The basic rationale of any infrastructure is the sustenance it provides to production activity, income generation and social service supplies. It has also positive effect on income distribution because the low per capita infrastructure limits the access of small and marginal farmers to the market. The relationship between the agricultural development and investment in infrastructure has been long recognized. A study, conducted while attempting to quantify the impact of investment in rural infrastructure (Ahmed, 1992) concluded that improved infrastructure is a primary
driving force under every condition for commercialization. The benefits of commercialization and specialization to a great extent depend upon the infrastructure and both have push and pull relationship. The availability of infrastructure not only affects the choice of technology, reduces transportation costs and produces powerful impetus to production but also effects income distribution in favour of small and marginal farmers by increasing their access to the market. The expansion of different infrastructural facilities has been instrumental in increasing the integration of spatially separated markets. Studies have shown that market infrastructural facilities (transport and communication) have significantly increased horizontal and vertical integration of agricultural produce markets, which improved the process of price discovery and transmitting the price signals from deficit to surplus areas (Acharya, 2003).

In any developing economy, the producer’s surplus of agricultural product plays a significant role. This is the quantity which is actually made available to the non producing population of the country. From the marketing point of view, this surplus is more important than the total production of commodities. The arrangements for marketing and the expansion of markets have to be made only for the surplus quantity available with the farmers and not for the total production. The rate at which agricultural production expands determines the pace of agricultural development while the growth in the marketable surplus determines the pace of economic development. An increase in production must be accompanied by an increase in the marketable surplus for the economic development of the country. Though the marketing system is more concerned with the surplus which enters or is likely to enter the market, the quantum of total production is essential for this surplus. The larger the production of a commodity, the greater the surplus of that commodity and vice-versa.
The knowledge of marketed and marketable surplus helps the policy makers as well as the traders.

Mechanization has become popular in almost every human activity. In recent years, the pace of mechanization in all stages of farm production, including harvesting and threshing, has gained momentum. Increased mechanization in agriculture has reduced the time taken in performing various farm operations as well as the cost of these operations. It has also saved farmers from the drudgery of farm operations. Mechanization has led to increase production. As a result, the marketable and marketed surplus has also gone up. This has created overcrowding and congestion in the markets, especially those of foodgrains. Indian grain markets are intensive users of human labour in all the marketing processes, from the unloading of the produce to the final sale. This result in a higher cost of performing manuals jobs. Virtually no mechanical device is used to unload, clean, dry, weigh, bag or load the grains for moving out of the markets. As a result, the present market yards are congested and call for an enlargement of market capacity. This market capacity can be enlarged either by enlarging the size of the market yard or by building a new market yard. The building of a new market yard is very costly because of the high cost of land and building materials. Moreover, the construction of a new market yard necessitates the development of such infrastructural facilities such as roads, telephones, telegraph, light, water, godowns and banking. All these are capital intensive in nature. Therefore, the only alternative to the enlargement of market capacity is the enlargement of the size of the market yard and this can be done by the introduction of mechanization for various marketing operations.

Market efficiency essentially means the degree of market performance. In this sense the concept is broad and dynamic. It encompasses many theoretical
manifestations and practical aspects. The movement of goods from producers to consumers has to be executed at the lowest possible costs consistent with the provision of the services desired by the consumer. A change that reduces the costs of accomplishing a particular function without reducing consumer satisfaction indicates an improvement in the efficiency. But a change that reduces costs but also reduces consumer satisfaction does not indicate increase in marketing efficiency. A higher level of consumer satisfaction even at higher level marketing costs may mean increased marketing efficiency if the additional satisfaction derived by the consumer out weighs the additional costs incurred on the marketing process. An efficient marketing system is an effective agent of change and an important means for raising the income levels of the farmers and the levels of satisfaction of the consumers. It can be harnessed to improve the quality of life of the masses.

For the smooth development of a country, there must be a fair distribution and an efficient system of marketing. Even then, planners and policy framers in our country paid more attention to the maximum production of agricultural goods rather than to the proper distribution of what was produced. It will not be possible to uplift the economic lots of the toiling masses until there exists a proper marketing system where the products of agriculture are gainfully disposed of. Agriculture, being a big industry in itself, influences the economic system to a great extent. So the present day economists have become all the more concerned with the marketing of agricultural produce. They have come to realize the importance of marketing and the role played by markets in the economic system as a whole. It is all the more so in the case of a developing country like India and a backward state like Manipur where agriculture constitutes the biggest sector in the national or state economy as the case may be and where changes in food prices determine the general price level.
The agricultural marketing system plays a dual role in economic development in countries whose resources are primarily agricultural. Increasing demand for money with which to purchase other goods leads to increasing sensitivity to relative prices on the part of the producers, and specialization in the cultivation of those crops on which the returns are the greatest, subject to socio-cultural, ecological and economic constraints. It is the marketing system that transmits the crucial price signals. On the other hand, and in order to sustain the growth of the non-agricultural sector, resources have to be extracted from the agricultural sector physical resources to guarantee supplies of food and raw materials for the agro-industry and financial resources for investment in non-farm economy as well as for re-investment in agriculture.

In rural areas, agriculture is the major production sector and rural industries occupy a subsidiary sector. In agricultural sector, it is compulsory to develop proper and effective distribution outlets; marketing could ensure fair prices for the agricultural produce to the farmers. There are too many intermediaries between the farmers and the ultimate consumers. As a result, the farmers get a negligible portion of prices at which the agricultural crops are sold to the ultimate consumers. These drawbacks could be removed if the distributive channel could be shortened. Consequently, the farmers would get reasonable higher prices. The farmers would also have to face problems of getting agricultural inputs and consumer goods and services at reasonable prices. The distribution of agricultural inputs is being done through a long channel between the farmers and manufactures, selling agents, regional distributors, local stockists and the retailers. As a consequence, the prices at which the farmers get agricultural inputs are higher than ex-factory prices. A well-designed effective agricultural marketing would not only remove the existence of too many intermediaries but also ensure in getting agricultural inputs at fair prices. Again,
marketing could recognize the channel of distribution of consumer goods. This could ensure the farmers to get consumer products at reasonable prices. With the effective functioning of agriculture markets, the economic condition of the farmers would improve greatly which in turn, might ensure the development of rural economy.

Marketing of agricultural crop production and of animals and of the produce of animal husbandry and livestock might afford the purchase of domestic consumption requirements, and very few farm inputs. The advent of commercial farming necessitated the use of modern inputs like high yielding variety of seed, chemical fertilizers, pesticides, tractors etc. Hence, such of those organized industries manufacturing and marketing these inputs have entered the rural market. The scope of rural market is widening. The sale of rural production both farm and non-farm, including products of rural artisans and industries and purchase of requirements to this sector, should also constitute an important component of rural marketing. There is a visible transformation of traditional and subsistence agriculture into modern and commercial farming. Almost all categories of farmers are interested in raising some cash crops, and sell a part of their produce. Further, there is a gradual shift from agriculture to non-agriculture occupations within the rural sector. These developments resulted in appreciable increase in disposable rural incomes. There is a marked increase in incomes, particularly of middle and upper classes, during the green revolution period. Green revolution contributed for marketable surplus and in the process of marketing, rural people come closer to the urban life and due to “demonstration effect”, the life style of rural people is fast changing. All these developments brought about a significant change in the marketing process.

In the process of marketing, consumers’ choice or preference becomes most critical. In a situation of keen competition among many producers of similar products,
with an eye on market, consumers’ tastes or preferences or choice need be carefully analyzed. Since consumers’ demand determines the quantity of a commodity that can be sold at a price, even a monopolist is subject to sovereignty of the consumer. The monopolist, though can either fix the price of his product or decide how much he will produce, he cannot do both of these things at the same time. It is because consumers’ choice or customers’ preference is ultimately the deciding factor.

Even in farm sector under the commercial farming, there is almost a monopolistic competition type of situation. Though similar goods are produced, attempts are made at marketing stage to differentiate products through several devices such as cold storage, supply in such size and such type of packaging of consumers’ preference, well suited advertisement in the rural areas. Monopolistic competition situation in the rural marketing can be seen in the retail trade. Each retail trade at village fair or in a town, attempts to attract customers through pleasing manners, better packaging, home delivery of products, etc. In view of the customers’ preference being a deciding factor the concept of marketing may be defined as the process of defining customers’ needs, anticipating changes in the customers’ tastes and preferences and accordingly organize resources to turn out certain products or services that facilitate easy sale and assured returns.

The behavior of the consumer has also a bearing in agricultural marketing. “Three parties are mainly interested in marketing the grower of the commodity, the middlemen and the ultimate consumer. But the most important of these parties is the consumer as all production has consumption for its objective” (Mukherjee, 1960). It is necessary to study consumers, their preferences and purchasing power. Consumers of different classes have different habits and nature. It is the consumers who play important roles in determining the volume and nature of production and in fixing the
price level. But the ignorant farmers fail to know this as they have no direct touch with the consumers. Therefore, proper understanding of consumer behavior becomes vital in achieving the marketing goal. The psychology, income levels, preferences and spending pattern of the different category of producers and consumers in rural areas are different from those of the urban manufacturers and buyers. Full understanding of these matters and related issues with background of rural socio-economic conditions become more critical in the rural marketing process.

Pricing and promotion are very crucial elements in the rural marking mix. With the growth in demand for consumer products and agricultural inputs in the villages, rural advertising has become a challenging area. It is important to inform and educate villagers about products and services, which can improve the productivity of their fields and also upgrade their living standards. Advertising also has a critical role to play in changing the attitudes, habits and lifestyles of villages. Companies have not given adequate importance to exclusive advertising for rural markets. With the rural consumer acquiring the means to buy consumer and agricultural products, it will be necessary and challenging to focus on exclusive advertising for rural markets. It is vital to ensure that advertising is in harmony with the values and cultural ethos of the villages. In the rural areas, most of the products consumed are in the nature of basic, wage goods. Villagers have limited and sometimes erratic incomes. They seek value for money in their purchases. The price of a product is thus a vital variable in the purchase decision in rural markets. Among them both the elements of pricing, that is, the utility factor and the value factor are equally important due to the limited disposable incomes with the rural consumers. Marketers have to be extremely flexible in their pricing strategies in rural markets to build and retain market share.
So far, no systematic work on the rural marketing of agricultural produce in Manipur has been done. The present study is an attempt in this direction to have a detailed exposition of the problems of agricultural marketing in this land-locked border state and to suggest guidelines on the basis of findings. The importance of such a study for the state of Manipur needs hardly any emphasis because of its hilly terrain, transport bottlenecks and extreme economic backwardness. As in other parts of India, agriculture is the main occupation of the people of Manipur, absorbing more than 71 percent of the working force of the state. But because of its dependence on nature, the introduction of modern methods of cultivation, multiple cropping, crop rotation etc. cannot be applied on a large scale and at times when the monsoon is not reliable. She has to depend on outside products for most of its essential items of living. As she has a long international boundary with Burma, black-marketing in foodgrains and other essential items has also affected her internal marketing system.

Nature has beautifully divided Manipur into two distinct parts – hill and valley. The hill constitutes 9/10th of the total area of the state but it is inhabited by only one-third of the total population. The way of life, the mode of cultivation, behavior of consumers, the system of marketing etc. are all different in the two parts of the state. It is the small and densely populated central valley to which the focus of the study is mainly given. This small valley contains the main marketing centres of the people of both the parts.

1.2 History and Growth of Agricultural Marketing

Marketing had its beginning in agriculture. It developed only after man was able to produce more food than he needed for himself, and only after a way of exchanging the products of his labour for those of others had been found. This transition from production for consumption to production for exchange came about
slowly. About a century ago, farmers used to consume most of what they produced but now, most of what the farmers produce is exchanged for the other things which they require. To reach this stage, farmers became production-minded. This tendency has increased their dependence on marketing, which has resulted in the overall development of the market mechanism.

The early pioneers of our country did not face much of the marketing problem. Producers and consumers, if not actually the same individuals, lived next door to each other. The following factors have led to the growth of agricultural marketing in India are:

1. Specialization

The tendency towards increasing specialization by farmers and regions in certain crops or livestock has resulted in an increase in their efficiency and the breakdown in the self-sufficiency of the family unit. Specialization, thus, has resulted in increased production which is the base for the growth of marketing and in turn of the economy.

2. Urbanization

Urban people are the main buyers of agricultural surpluses. The urban population is increasing day by day. As a result the demand of rural products in urban areas is also increasing and by selling those agricultural and rural products, they can earn their livelihood. This has necessitated a faster growth of agricultural marketing activities.

3. Transportation and Communication

The increases in transportation and communication facilities have widened the market for farm products. The length and breadth of the market to which a product is
taken from the production areas have increased. In the absence of these facilities, the movement of produce from one area to another was limited and the consumption of a product was restricted only to the areas of production or at the most to nearby areas.

4. Technological Change in Agriculture

Technological developments in agriculture such as the evolution of high yielding varieties of seeds, increased use of modern inputs and cultivation practices in the agricultural sector have resulted in substantial increase in farm production. The marketed surplus of the agricultural produce has therefore increased. Production-conscious farmers have also become income/price conscious. This has resulted in the growth of the marketing system.

The importance of an efficient marketing system as a vital link between the farmers and the consumers was recognized back way in 1928 by the Royal Commission on Agriculture. Since then, a good deal of progress has been made in organizing agricultural marketing by the adoption of various administrative and legislative measures by the government from time to time. The establishment of the Directorate of Marketing and Inspection in 1935, the enactment of the Act for the grading and standardization of agricultural commodities in 1937, the conduct of commodity market surveys and the establishment of regulated markets in the country. These are some of the measures which have been taken up to improve the marketing situation and to make agricultural marketing as efficient as possible.

During the First and Second Five Year Plans, agricultural marketing did not received ample importance. Whatever development that took place in the sphere of marketing was due to gradual progress towards the commercialization of agriculture as a result of its own dynamic nature and not because of any specific government
efforts. The National commission on Agriculture (1947), the first commission which suggested measures for the development of agriculture in the post-independence period remarked: “There is an increasing awareness that it is not enough to produce a crop or animal product, it must be marketed well. Increased production, resulting in a greater percentage increase in the marketable surplus accompanied by the increase in demand from urban population, calls for a rapid improvement in the existing marketing system.” This statement emphasized the increasing importance of marketing of agricultural commodities and the need for the adoption of measures to increase production.

1.3 Importance of Agricultural Marketing

An efficient system of marketing is essential for the economic development of a country. Marketing becomes an important instrument in improving the income of the individual producers of all categories, apart from meeting the requirement of the customers. Rural marketing is important in the following ways:

1. Development of marketing leads to the integration of different sectors of the economy such as agriculture, industry, transport etc.

2. Marketing helps in the creation of different utilities like form utility, time utility, place utility, etc.

3. In developing countries, well organized markets will encourage even the small farmers to turn out marketable surplus. Further, marketing facilities encourage the small farmers to raise cash crops and earn money through a well organized marketing system, it becomes possible to make available foodstuffs, etc. at different centers and secure non-farm products.

4. With the advent of the Green Revolution, there is the possibility of a bigger marketable surplus. In fact the marketing problem is “Second Generation Problem” in
the spread of green revolution. The first generation problems are of high yielding variety of seeds, chemical fertilizers, pesticides, etc. The outcome of the application of these modern inputs is substantial increase in marketable surplus. Therefore the second generation problem is one of creating marketing facilities so as to enable the farmers to sell their produce at remunerative prices. It is also said that marketing helps in introducing new crops and improved methods of technology.

5. Through marketing, rural incomes increase thus thereby leading to higher rural savings. This in turn will help modernization of agriculture and capital formation for industrial development.

6. Marketing helps to maintain stability in the prices and also economic stability in the country. In the marketing process, goods are purchased and stocked. They are purchased at a time when there is more production. By doing so, it is possible to check the rise in the price leveling. In a situation where there is low production, the price level is bound to increase. At this stage, the goods stocked may be released to the market and this will help to check the rise in price level. In this way through marketing, it is possible to prevent excessive fluctuations in the prices level and maintain price stability.

7. Marketing helps to achieve and maintain a higher standard of living. The supply of different goods and services is very essential in order to maintain a particular standard of living. An efficient marketing system will help to provide the different goods and services, whenever they are required.

8. Marketing helps to increase employment opportunities to the member of society both in production and marketing activities.
1.4 Rural Market

As a result of the “Green Revolution” there is a socio-economic revolution taking place in Indian villages since the last three decades. Increasing knowledge of fertilizers, water resources, pesticides, better quality seeds, modern farm equipment and methods of farming have changed the villages far better. The per capita income of the farmers is on the increase and the manner in which they spend their disposable income has also changed. The rural market is not passive. It is vibrant and growing at a faster pace. It will soon outstrip the urban market if this pace of development continues.

The villages have accepted the modern way of agriculture as a business but have also accepted modern living. The farmer is choosy in his buying. Apart from food and consumable items, he is interested in buying small radios, T.V. sets, two wheelers, mostly bicycles and motorcycles, wrist watches, cooking gas and furniture. Socio-economic changes in villages have led villagers to think of material well being. This change in the attitude of the Indian farmer is sweeping across the countryside. The expanding rural market is important to the growth of economic development of India. With the changing scenario, the marketing focus is also changing towards villages: ‘Go rural’ is the slogan of marketing gurus. In modern times, with advancement in transport and communication technology, exchange of goods takes place without the actual meeting of buyers and sellers at any specific place. Therefore, the term ‘market’ is used in a wider sense to signify any area, may be country or the whole world, where buyers and sellers are in close contact with one another, price making forces operate and buying and selling of goods takes place without actual meeting of buyers and sellers.
Rural marketing refers to all those activities comprising the exchange of rural products and services with urban goods and services, through which the consumption and production requirements of the rural people are fulfilled and urban manufacturers get market outlet for their products and services with profit. Rural marketing covers the problems of both the sale of rural products and services and purchase of urban products and services to the mutual advantage of all those concerned. The different steps and techniques in marketing in general will equally hold good in rural marketing. So, rural marketing has two major areas:

(a) Marketing of agricultural products, from rural to urban areas, and
(b) Marketing of manufactured goods and services in rural areas.

Thus, rural marketing is a two-way marketing process which includes the flow of goods from rural to urban areas and the flow of goods and services from urban to rural areas. In addition there is the flow of goods and services within the rural areas itself.

The rural to urban transaction includes agricultural products like foodgrains, oilseeds, cotton, sugarcane, tobacco, etc., consumed by urban after due processing. The urban to rural transactions cover the goods and services of all agricultural inputs like fertilizers, pesticides, seeds, tractors, consumer durables like radio, bicycles, mopeds, clocks, batteries, electrical and electronic goods etc., and consumables like soaps, detergents, cosmetics, tea, cigarettes and food items etc. In addition, the flow of goods and services within the rural areas such as small agricultural tools, household earthen items, wooden items such as doors, windows etc. and the services of blacksmiths, carpenters, masons, cobblers, also move within the rural areas itself. Rural marketing is a function which manages all those activities involved in assessing, stimulating and converting the purchasing power into an effective demand.
for specific products and services, and moving them to the people in rural to create satisfaction and a standard of living to them and thereby achieves the goals of the organization. Rural marketing is the process of developing, pricing, promoting, distributing rural-specific goods and service leading to exchanges between urban and rural markets, which satisfies consumer demand and also achieves organizational objectives (Ramkishen, 2008).

1.5 Constituents of Rural Marketing

In common usage, rural marketing is used in different ways to mean agri-inputs, marketing of foodgrains, marketing of food products and so on. Sometimes the demarcation is not clear and therefore, is confusing.

Rural marketing consists of two clear groups:

(i) **Marketing Ins:** These are commodities that are basically purchased by the villagers. The broad items are agriculture input items like fertilizers, pesticides and seeds. The next category in this group is farm machinery tools and implements. Examples are tractors, pumps, tools and tackles. For power and tractors, diesel and electricity are purchased. Purchase of cattle, birds, aqua feeds and poultry feeds fall in the third category. The last category is daily necessities of life of a villager. He is also buying Fast Moving Consumers Goods (FMCG) products and consumer durables for use in his family and social life. For all the markets in items, the villager pays by cash or in kind. In India, this is a large market because of the sheer number of villages and villagers.

(ii) **Market Out Items:** In this category, the village produce is marketed outside to the consumers. Part of the produce is consumed in the village. The balance part which is sent outside again has two large markets: (a) within the country and (b)
exports to other countries. Marketing his produce outside brings in money to the villager. The items that fall under rural marketing are listed in fig.1 and include agricultural produce, animal products, fish, processed foods and cash crop products. This group is generally referred to as agricultural marketing.

The rural marketing both in and outs are influenced by eight factors which are shown in figure 1. The factors include government policies, involvement of cooperatives, rural mindset, technology and finance availability.
Rural Marketing

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<tr>
<th>Influencing Factors &amp; Contributors</th>
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<tr>
<td>1. Rural marketing strategies and support activities</td>
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<td>2. Government policies and incentives</td>
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<td>3. Co-operative involvement and assistance</td>
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<td>4. Rural Indian</td>
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<td>5. Inputs from Banks and Financial Institutions</td>
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<td>6. Technological training and research</td>
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<td>7. Socio-economic and political forces</td>
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<td>8. Rural market development</td>
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Marketing Ins

- Fertilizers - Electricity
- Seeds - Diesel
- Plant Protection - Farm Machinery
- Chemicals and implementation
- Agro Feeds - Pumps
- Poultry Feeds - Tractors
- Cattle - Tools & Tackles
- Daily necessities of Life - Consumer Durables

Rural Marketing

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Trade in India

- Cereals - Rice
- Pulses - Wheat
- Oilseeds - Processed food
- Sugar - Poultry
- Cotton - Milk
- Vegetables - Vegetables
- Fruits - Fruits & processed fruits
- Milk - Copra & Products
- Copra & Products - Milk Products
- Eggs - Rural Craft
- Fish - Tea & Coffee
- Processed Food - Spices
- Poultry - Tobacco
- Rural Craft - Cashew
- Tea & Coffee - Marine Products
- Spices - Meat & Meat
- Tobacco - Product
- Cashew - Natural Rubber
- Marine Products
- Meat & Meat Products
- Natural Rubber

Fig.1 Rural Marketing set up
1.6 Rural Marketing Environment

An environment is that which surrounds an organization. It is sum total of external factors and made up of tangible and intangible factors both controllable and uncontrollable. Rural marketing is basically a focused marketing activity of an organization. The environment outlines threats and opportunities of the market.

The rural marketing environment is complex and is changing continuously. The marketing organization should foresee and adopt strategies to changing requirements in the market. One that does not change perishes. An adaptive organization can stand competition or have a modest growth. An organization which makes its effective marketing plans and its own strategies or a creative one will prosper and create opportunities in the changing environment.

1. Population

Population of a country is the most important asset and resource for all kind of development. In terms of size of population, Manipur is the fourth largest State in the North Eastern Region of India. Most of the people live in rural areas. According to 2011 census, the number of villages is 2651. Of which 2588 are inhabited while 63 are uninhabited. On the other hand, the number of towns is 51. About 67.55 percent of the total population lives in rural areas where as only 32.45 percent of the total population is found in the urban areas.

The above figures show that there is a huge potential market for consumables, consumer durables and services. At the same time the need of the rural areas does not automatically guarantee a market, unless it is backed by income and the resultant purchasing power.
2. Occupation Pattern

For the vast majority of the rural population, the main occupation is agriculture and allied activities. About half of the rural population own or lease land to cultivate it for their livelihood. Another 27 percent are dependent on these cultivators for jobs as agricultural labourers. Thus a total of 77 percent of rural population solely depend upon land only for their living and land is the source of their income. There are others, constituting a small population, who are of young age in business like petty shopkeepers or itinerate merchants and salaries earners like teachers, health workers and village level officials. The implication of this type of occupation pattern is that the income generation in rural areas entirely depends upon how the land is used, what crops are cultivated, how much is marketed, how much is consumed and the marketing arrangements for the production.

Hence the rural income is mostly depended on the rain god. If the rainfall is adequate and weather conditions are favourable, rural people will prosper. Once the rural areas weather is unfavourable the rural income suffers a great deal, as it often happens in drought prone areas. So the disposable income in the hands of rural people is conditioned by the status of agriculture and other allied activities. The agriculture development programmes of the government have helped to increase income in the agriculture sector. This in turn has created greater purchasing power in rural markets.

3. Location of Rural Population

One of the determinants for marketing men to exploit the rural market potential has been the vastness of the rural market in terms of areas covered and the location of the rural population. It is much easier to cater to the needs of urban population because of their concentration, but it is very difficult in the case of rural population because of their widespread nature. The whole urban population is located
in places like metros cities and towns, while the rural population is located in villages. Even though the rural population is about three times the urban populations their places of location are several times greater.

4. Literacy Level

The actual meaning of literacy is a condition of being literate, that is having knowledge of alphabets and enabling a person to read and write thus leading to communication. Since independence, a number of steps have been taken to increase the rate of literacy in India particularly in rural areas. There is however slow progress. The extent of literacy reflects the qualitative aspect of the population. Higher literacy emancipates economic and social backwardness. In Manipur, the literacy rate had shown an increase from 70.50 percent in 2001 census to 79.21 percent in 2011. Without literacy no scheme of education can be properly implemented. It is also noticed that in spite of the increase in literacy percentage, the total number of illiterates has increased. For real progress and development, a high level of literacy is a basic necessity. The National Literacy Mission is working since 1990 to promote literacy particularly in villages. The mission is taking help of the public as well as corporates in pushing the programme ahead. The mission has brought considerable awareness all over rural India at all levels.

5. Land Use Pattern

In rural life, farmers are nearer to the nature. Land, an unrecognized asset, has shaped the living styles and attitudes of farmers. The farmer enjoys proximity with nature, soil, flora, fauna animals and village surroundings. Land exits in many forms like mountains, hills, valleys, plains and may have different vegetation on it. Agriculture is the cultivation of soil in order to grow crops and rear livestock. The essential of agriculture is the production of food from the land for human or animal
consumption. Thus, land is the prime source of wealth. Since the beginning of the human existence, man has directed his activities with reference to the earth’s resources and he knows how to use these resources for his own benefits. Firm information regarding the land utilization of the entire state would not be available, but only for the cadastral survey area of the valley and a very small space of the hills can be visualized. As per the land utilization statistics of 2006-2007, out of the total geographical area of the state, the reporting area is about 1952 thousand hectares. An area of 27,000 hectares of land are not available for cultivation and forested area covers 1693 thousand hectares or other cultivable land excluding the current fallow lands covering about 6000 hectares. Of course, part of this land can be brought under plough, at a prohibitive cost. The area of fallow land has been very insignificant in the state. Fallow land other than current fallow cover an area of below 500 hectares. The net sown area of the valley alone covered about 2, 24,000 hectares. It indicates that, land has been brought under plough as far as possible. However, further possibility of additional land under plough is very limited. In fact, at all sources, the use to which land is the most important in agriculture use.

The agricultural holding is the amount of land held by a farmer. In Manipur, arable land is limited and majority of the farming community have small and marginal land holdings which make them difficult to practice any subsistence farming. The area of operational holding is about 172 thousand hectares operated by 150.4 thousand farmers as per the agricultural census 2005-2006. The basic resource in agriculture is land and land distribution also decides the distribution of rural income. Since the land distribution is uneven the income distribution is also uneven. Land is the basic asset for income generation, land holdings can be considered as a proxy for income in segmentation of the rural market. There are a large number of families in lower
income groups in rural areas, compared to the number of families in higher income groups. This is all the more important for marketing of agricultural inputs while fertilizers, pesticides, seeds, pumps and pipes may be demanded by all the holdings irrespective of size (though the quantities demanded may vary widely), the durables inputs like tractors or major agricultural machinery may be demanded by a large size group only.

6. Irrigation

Agriculture in the state totally depends on the seasonal rainfall which provides 150-200 cm in a year. About 99 percent of the failure or success of agricultural practices in the state depends upon monsoon rains. It sometimes suffered either from drought or floods. At present, nearly 40 percent of the total cultivated area under rice in the state is irrigated. The state has geographical advantage for the development of irrigation system on a large scale for the cultivation of rice. Major and medium irrigation projects have been started in the state since the fourth five-year plan period. The state has so far taken up eight projects under the major and medium multipurpose irrigation projects. There are number of lakes in the valley such as Loktak, Ikopat, Kharungpat, Lamjaopat and Pumlelpat. In addition to this, the state has two major rivers basins viz. the Barak river basin and the Manipur river basin. The average annual yield of the two major basins of the state has been broadly estimated to be 1.8487 million hectare metres (14.98 million acre feet).

7. Rural Development

Manipur lives in villages. Out of the total population 25,70,390 of the state in 2011, 67.55 percent are living in the villages while only 8.34 lakhs people, which constitutes 32.45 percent of total population, live in urban areas. Thus, 67.55 percent
of the population inhabiting in 99.38 percent of the geographical areas which makes rural state, cannot be taken lightly in any strategy.

Improvement in the quality of life of the economically weaker sections of the society is also one of the basic objectives of development planning. As far as rural development is concerned, the Department of Rural development and Panchayati Raj Manipur is the nodal agency to ensure implementation of various programmes for accelerating the pace of development in rural areas of the State through District Rural Development Agencies (DRDAs)/Panchayati Raj Institution (PRIs). A number of programmes have been under implementation in the state to ensure minimum wage to rural workers and enable them to acquire assets and income through self employment ventures. In this context, it would be appropriate to evaluate various development Schemes and Programmes launched in the state to uplift the standard of living of the rural population of Manipur.

8. Rural Electrification

Manipur is a small state with an area of 22,327 sq. km and population about 26 lakhs people. Over 70 percent of the population lives in rural areas comprising 2,588 inhabited villages. Under the rural electrification programme, 1,766 villages have been electrified as on 31st March, 2011 which is about 69.97 percent of the total number of villages.

9. Infrastructure

Infrastructure is defined as the physical framework of facilities through which goods and services are provided to the public. It is an umbrella term for many activities referred to as ‘Social Overhead Capital’ which results in facilities and services and are usually provided free (as in the case of roads) or at reduced charges
(as in the case of electricity). The economic infrastructure supports primarily the economic activities and its components being utilities such as power, irrigation, transport and communication etc.

The infrastructure has a direct bearing in accelerating the pace of marketing of products and services. Rural marketing needs greater attention to the untapped business potential and procurement of basic products and services required for improving the quality of lives of rural masses. It helps the marketing for improving the quality of lives of rural masses. Infrastructure helps the marketing of products and services with greater reach and depth, and bridging the gaps between demand and supply situations. Further it can in good value for money generating economy of scale and trade.

1.7 Rural Products

The commodity approach is not only to the manufactured goods that is, both consumer goods and industrial goods, but also the study of goods made by the art of rural. Rural goods require more of natural conveniences than of human efforts. Human efforts are required to produce them, but nature plays a vital role in determining the quality and quantity of the crops grown and harvested. Rural products are the result of the art of agriculture and allied activities. In narrow sense, rural products refer to the products arising out of cultivation, namely various crops, vegetables and fruits etc. In a broad sense, agricultural goods arise out of cultivation, dairy farming, poultry farming, pig farming etc. Thus eggs, butter, cheese, fluid milk, meat etc., are also rural products and also handloom, weaving, spinning, fisheries, gur products etc.
1.8 Types of Rural Goods

Rural products are classified into two categories viz., ‘industrial’ goods and ‘consumer’ goods. ‘Industrial-rural’ goods are those used for further industrial processing, for examples, tobacco, fibre crops like cotton and jute, eggs and butter used in bakeries, vegetables and fruits canned and pickled, wheat and gram used by flour mills to grind them. On the other hand the ‘consumer-rural’ goods are meant for direct use, like all foodgrains, dairy products, poultry products vegetables and fruits. This classification is not rigid, as some of the rural goods become both consumer goods and industrial goods, depending upon the use to which they are put for instances, in the case of fruits especially, if they are consumed directly by the consumers, they become ‘consumer goods’, and if the same fruits are used in canning factory, they become industrial goods. Another best example that can be cited is groundnut. If used for home consumption, it becomes consumer goods and if used for production of oil, it becomes industrial goods.

1.9 Regulation of Agricultural Marketing

Under the traditional system of marketing of the agricultural products, producer sellers incurred a high marketing cost, and suffered from unauthorized reduction of marketing charges and the prevalence of various malpractices. To improve marketing conditions and with a view to creating fair competitive conditions, the increase in the bargaining power of producer-sellers was considered to be the most important prerequisite of orderly marketing. Most of the defects of, and malpractices under the existing marketing system of agricultural products have been more or less removed by the exercise of public control over marketers that is, by the establishment of regulated markets in the country.
A regulated market is one which aims at the elimination of the unhealthy and unscrupulous practices, reducing marketing charges and providing facilities to producer-sellers in the market. Any legislative measure designed to regulate the marketing of agricultural produce in order to establish improve and enforce standard marketing practices and charges may be termed as one which aims at the establishment of regulated markets. Regulated markets have been established by state Governments and rules and regulations have been framed for the conduct of their business.

The establishment of regulated markets is not intended at creating an alternative marketing system. The basic objectives have been to create conditions for efficient performance of the private trade, through facilitating free and informal competition. In regulated markets, the farmer is able to sell his marketed surplus in the presence of several buyers through open and competitive bidding. The legislation for the establishment of regulated markets does not make it compulsory for the farmer to sell his produce in the regulated market yard. Instead, voluntary action on the part of the farmers to take advantage of such a market is assumed. The basic philosophy of the establishment of regulated markets is elimination of malpractices in the system and assignment of dominating power to the farmers or their representatives in the functioning of the markets.

1.9.1 Objectives of the regulated market

The specific objectives of regulated markets are:

1. To prevent the exploitation of farmers by overcoming the handicaps in the marketing of their products.
2. To make the marketing system most effective and efficient so that farmers may get better prices for their produce and the goods are made available to consumers at reasonable prices.

3. To provide incentive prices to farmers for inducing them to increase the production both in quantitative and qualitative terms and

4. To promote an orderly marketing of agricultural produce by improving the infrastructural facilities.

1.10 Co-operative Marketing

Co-operative marketing organizations are associations of producers for the collective marketing of their produce and for securing for the members the advantages that result from large-scale business which an individual cultivator cannot secure because of his small marketable surplus. The establishment of co-operative marketing societies was another step which has been taken to overcome the problems arising out of the present system of marketing agriculture produce. The objectives of economic development and social justice can be furthered by channelizing agricultural produce through cooperative institutions.

Private agencies dominate the India foodgrains trade. Farmers complain of the marketing system because they get lower prices due to high marketing charges and the prevalence of malpractices. The efforts of the government to improve the marketing system of agricultural commodities have been only partially successful in creating healthy conditions for scientific and efficient marketing. Moreover, the progress of regulated markets is not uniform in all areas. The need for strengthening co-operative organization has, therefore been recognized for the marketing of the produce of farmers and for making inputs available for them at the right price and time. The co-operative institutions are expected to function as competitors of private
traders in the market. These organizations pool the produce of the small farmers having a small surplus to market and improve their bargaining power. They have also helped government agencies in the execution of the policy decisions bearing on the procurement and distribution of foodgrains and other essential commodities.

1.11 Co-operation in Manipur

Co-operation is the basis of all organized human life. Mutual help and complete interdependence are to be met within the societies at all level. Therefore, the co-operative movement in Manipur has played a significant role in the social and economic development of the state, particularly in the rural areas. But from the experiences gained in the recent past, it is felt that farmers/cultivators of the agricultural/horticultural crops particularly farmers of fruits and vegetables are facing marketing problems. Farmers could not dispose of their produce at the remunerative prices as cold storage and export facilities are yet to be made available. Procurement as well as marketing of agricultural produces may be developed and modernized by strengthening the Manipur marketing Societies at the state level as well as all supply and marketing societies in the five hills districts.

Primary Agricultural Credit Societies (PACS) are basically multipurpose. The main function of the societies are to extend financial supports such as short-term crop loans, medium term and long term loans on agricultural purpose, storage and distribution of consumer items, chemical fertilizers and marketing of agricultural produces. The PACS are known as Gram Panchayat Level Multipurpose Cooperative Societies (GPLMPCS) in the valley while in the hills, they are called Large Size Multipurpose Cooperative Societies (LAMPS). As on 31st March 2012, there are 152 GPLMPCS and 71 LAMPS. In general, the Cooperatives in Manipur are not
functioning satisfactorily due to the problems like inadequate funds, inefficient management, lack of coordination etc.

1.11.1 Functions of Co-operative Marketing Societies

The main functions of co-operative marketing societies are:

1. To market the produce of the members of the society at fair price.
2. To safeguard the members for excessive marketing costs and malpractices.
3. To make credit facilities available to the members against the security of the produce brought by sale.
4. To make arrangements for the scientific storage of the members’ produce.
5. To provide the facilities of grading and market information this may help them to get a good price for their produce.
6. To introduce the system of pooling so as to acquire a better bargaining power than the individual members having a small quantity of produce for marketing purposes.
7. To act as an agent of the government for the procurement of foodgrains and for the implementation of the price support policy.
8. To arrange for the export of the produce of the members so that they may get better returns.
9. To make arrangements for the transport of the produce of the members from the villages to the market on collective basis and bring about a reduction in the cost of transportation.
10. To arrange for the supply of the inputs required by the farmers, such as improved seeds, fertilizers, insecticides and pesticides.
1.12 Problems of Rural Marketing

Although the rural market does offer vast potential, it should also be recognized that it is not easy to operate there. Rural marketing is a time-consuming affair and requires considerable investments in terms of evolving appropriate strategies. While the rural market certainly offers a big attraction to marketers, it would be naïve to think that any company can easily enter the market and walk away with a sizable share. Actually, the market bristles with variety of problems (Mirchandani, 2001).

1. Lack of Communication

Transportation and modern means of fast communication, viz., telephone facility, is yet to reach our villages. Hence, marketer cannot easily contact or communicate with the rural folk. Most of the villages are inaccessible, particularly during the rainy season, as they are yet to be linked to the main roads with pucca link roads.

2. Low Literacy Level

Overall rural literacy rate has increased drastically over the years. But, still only 60 percent of the rural population of Manipur is literate (2011 Census). A major concern is gender-wise differences in literacy. Print media becomes ineffective and to an extent irrelevant in rural areas since its reach is poor and so in the levels of literacy. The low literacy figure indicates inaccessibility of the various media of communication as well as requirement of more visual component in brand name and packaging.
3. Under-Developed People and Under-Developed Market

The agricultural technology has tried to develop the people and market in rural areas. Unfortunately, the impact of technology is not felt uniformly throughout the country. While there are pockets, some districts in Punjab, Haryana or Western Uttar Pradesh, where a rural consumer is somewhat comparable to his urban counterpart; there are large areas and groups of people who have remained beyond the technological breakthrough. Even today some of the districts in our state are drought prone and no new technology worth the name has percolated to increase the standard of living of these people. The number of people below poverty line has not decreased in any appreciable manner. Thus, under-developed people and consequently under-developed market, by and large, characterize the rural markets. A vast majority of the rural people is tradition bound, fatalistic and believes in age old customs, traditions, habits, taboos and practices.

4. Distribution Problems

Effective distribution requires a village-level shopkeeper, mandi/taluka-level wholesaler or preferred dealer, a distributor or stockist at the district level and a company-owned depot or consignment distribution at the state level. So many tiers increase the cost of distribution. Rural markets typically pose complex logistical challenges that translate into high distribution costs. Coupled with relatively slower growth of incremental demand and the lack of an adequate institutional mechanism for retail operations, margins are squeezed to the utmost. There are, of course, more macro-level concerns about purchasing power parity, per capita household expenditure and regional and cultural variances as well. Taken together, these make up the great hurdle race that one can ill-afford to either ignore or take for granted. Infrastructure such as bad roads, no adequate warehousing and lack of good
distributors also poses a major problem when a marketer thinks of targeting rural markets.

5. **Highly Dispersed and Thinly Populated Markets**

   The direct impact of the basic physical and climate characteristics, natural resources, history, market conditions and transport facilities have determined the distribution of the state population. About 70 percent of the people live in rural areas of Manipur but is much scattered geographically. Thus, nearly three-fourth of the total state lived in the villages. Again, about 81 percent of the villages have a population of less than 500 each. As such, rural markets are viewed as uneconomic and unmanageable by both manufactures and middlemen.

6. **Low Per Capita Income**

   Even though about 26 percent of Gross Domestic Product (GDP) is generated in rural areas, it is shared by 70 percent of the population. So, per capita incomes of rural areas are low. Moreover, demand for goods in rural markets depends upon the agricultural situation, as agriculture is the main source of income and it depends upon the monsoon to a large extent. Therefore, demand is not stable or regular. Most of the consumers in the villages are very poor and their standard of living is very low. They are more price conscious and measure quality in terms of price. The poor consumers buy very small quantities of goods and that too not very frequently, rendering the distribution of many goods in rural areas uneconomical. Under these circumstances, no businessman can think of hiring or owning a retail store in many of the villages.

7. **Different Religions, Languages, Cultures, Social Customs and Traditions**

   The numerous religious, languages and cultures of the tradition bound rural folk, in different regions of the state, present a colourful mosaic of their varied tastes,
likings, preferences and buying behavior. Culture, of course, has a great impact on spending by people and even the poorest think it culturally obligatory to be lavish spenders on socio-cultural occasions. This many be exploited by a progressive and dynamic marketer.

8. Seasonal Demand

The distribution of any product in the rural areas, agricultural inputs, consumables or durables should necessarily follow a seasonal pattern. Since 70 percent of the rural income is generated through agricultural operations, which is seasonal, the demand pattern is also seasonal. A typical example is that of fertilizers. The demand for fertilizers is always high during the start of Kharif and Rabi seasons. Likewise the demand for consumables and durables will be high during the peak crop harvesting and marketing seasons. This is the time when the rural people have substantial cash inflows. During summer months in places that lack irrigation facilities, the demand will vary, thereby indicate the seasonal pattern of demand. In addition, during the festival seasons the demand is also very high. So the distribution for rural areas should be more and frequent during harvest and festival seasons, the vagaries of which makes even this season inflow prone to risks.

1.13 Significance of the Study

Agricultural marketing is one of the varied problems that are to decide the destiny, prosperity and progress of the poor and forlorn cultivators, because farmers are the founders of the civilization and prosperity. The agricultural situation in India has undergone a rapid change in the last two decades. Investment in agricultural sector, both in public and private sectors, has risen. For the last many years Government has been trying to improve the system of agricultural marketing by providing new techniques, good fertilizers, financial help such as loan to the
culturators etc. Agricultural production, in general has achieved a reasonable growth rate. However our state Manipur as a whole is still lagging far behind in this regard. Majority of the cultivators cannot achieve and use the facilities and new technology provided. Nevertheless, in a few parts of Manipur, it has been attempted to develop very recently, while majority of the cultivators are still cultivating in the old and traditional methods of agriculture. As a result of this, there is no perfect match between production and distribution of agricultural products in the state. So it will ensure inequality in the socio economic development among the peasants. Cultivators are discontent, poor and lag behind economically in the society. The central government has taken up many systematic work and new schemes for the improvement of cultivation and for better agricultural produce.

Such a situation, as mentioned above, has also been faced in Bishnupur and Thoubal districts of Manipur. So far no systematic work has been done on the above problems in Manipur at micro level such as at a district level. Such a micro level study on agricultural marketing in Bishnupur and Thoubal districts of Manipur is considered to be highly significant to the solution of many problems faced in the marketing of agricultural produces. Such a study will be helpful in the promotion of agriculture by the government, planners, future researcher and business houses in the field of agricultural economics and agricultural problems.

1.14 Review of Literature

The review of related literatures gives the researcher an understanding of the research methodology which refers to the way in which the study is to be conducted. It helps the researcher to know about the tools and instruments which proved to be useful and promising in the previous studies. The advantages of the related literature are also to provide insight into the various aspects of the problem defined for the
study. The findings and important specific reason for reviewing the related literature is to know about the recommendations, previous researcher for further research which they have tested in their studies.

A number of studies have been undertaken by many expert committees and individual scholars on several aspects of marketing of agricultural commodities. Owing to the diversity in the nature and scope of these studies, only the major works that have bearing on the production and marketing of agricultural products are reviewed.

Whetham (1972) suggests that lack of competition among the African traders buying farm produce may be remedied by grouping of farmers combined together to set up their own organization for the first stage in marketing, selling in competition with the existing farms. Farmers often do co-operate in taking each other’s produce to market, reporting on the current prices and helping each other with harvesting with loan or seeds for planting but co-operative societies are untenable for farmers to combine with each other to provide common service on a regular basis.

Nadkarani (1973) examined the role played by agricultural prices in the process of economic development, particularly in determining its stability, taking Indian experience since 1951-52 as a case study. It highlights the nature and impact of imbalance between growth of agriculture and that of the rest of the economy. He furthers analyze to explain the variation in the price level of agricultural commodities and also to derive the rate of increase in their production required to maintain price stability. Impact of price behavior on savings in the economy and on the industrial sector has also been tried to be assessed quantitatively. After analysis of the effect of agricultural prices on the agricultural sector itself in terms of its supply response, the
author sets out implications for policy in clear terms. Finally, India’s agricultural price policy has been evaluated in the light of these implications.

Bhalla (1975) study was undertaken to know the impact of Green Revolution as a factor of change in the agrarian structure of the country. This field study established that a small holder is able to produce a much higher output per acre as compared to large cultivators. It also established that the adoption of the new technology has lowered the minimum size for economic farm operation. Mal-distribution of land holding and land ownership has resulted in very wide income inequalities. The above consideration underlines both the possibility and desirability of imposing a lower ceiling than what has been envisaged so far. The study establishes that farm upto fifteen acres can be made to yield adequate surpluses for further investment. Levy of Agricultural Income Tax on a progressive basis and improvement in the condition suggested. Green Revolution has brought prosperity to much of the country-side. He suggested vigorous policy measures to be adopted to ensure that the fruits of this prosperity are shared equitably.

Govind (1986) in his work, emphases on the analysis of Agricultural venture as a spatial temporal variation in cropping pattern and agricultural productivity are systematically analyzed for the period 1960-72 in terms of physical, economic and institutional factors influencing them. He explains the agro-climatic conditions on a regional frame are evolved on the basis of similarities and dissimilarities. Intra-regional and inter-regional similarities and dissimilarities in the adoption of new technology and differences in crop productivity are clearly brought out in this analysis.
Kumar (1987) studies the problems of Agricultural Finance from the points of view of farmers as well as financial institutions. The demand and supply of agricultural credit in the context of rapid modernization of agriculture has also been vividly studied, critical evaluation of the role of existing financial institutions, like Government Co-operatives and Commercial banks has been made and finally an integrated credit policy for the future has been suggested.

Singh (1989) in his work observed that the population of agricultural labour is exploited day by day and as result the problems of agricultural labourers have become more serious in the state of Manipur as well as in the Thoubal district.

Udhob (1989) opines that agriculture remains the main contributing factor for improving the social and economic conditions of the people of Manipur State. He expressed that any improvement in agriculture is closely linked with joy and prosperity of the State.

Ahmed (1991) has explored into the factors and constraints that affect the adoption of new agricultural technology in India. The author is based on empirical research and has made an attempt to identify the factors which influence the adoption of new technology in agriculture and to find out the constraints to adoption of new agricultural technologies by different categories of farmers that is, large, medium and small farmers. The study concludes that some constraints like lack of capital, low price of agricultural produce, problem of insufficient cold storage, inadequate institutional credit, problem of soil and water testing facility, inadequate irrigation facility, high cost of fertilizers, high rental charges of implements and machines, lack of information and problem of regulated market are the most important ones and
mainly due to these constraints that the process of adoption of new agricultural technology has been slow and interrupted.

Dinar (1996) in his study examines that the agricultural extension has been used by different Countries as a vehicle to meet expanding demands for food and to cope with declining availability of land and water resources. It has served in various countries as a vehicle for encouraging technological changes in food and fibre production.

Ghosh (2001) expressed that even though the adoption of recommended farming technologies gives high production and income to the farmers, yet many of them are reluctant to accept those technologies due to some limitations. These limitations can be broadly classified into (i) technical (ii) economic (iii) socio-psychological and (iv) infrastructural/administrative. Constraints under each category are responsible in adopting the recommended technologies delineated.

Reddy (2001) in his work discussed different aspects of agriculture vis-a-vis rural development. He explained the changing scenario of socio-economic structure of rural India. The approaches, experiments, policies and programme of agriculture and rural development with special reference to the Gandhian approach to agriculture and rural development are discussed. The role of agriculture in economic development is analyzed. Further, the extent of the green revolution and its equity dimensions are critically examined. Agriculture-based development issues such as rural marketing, rural banking and credit and rural industrialization are dealt with in detail. From the angle of gender equity and social justice, issues concerning women and agricultural labour in relation to rural development are also analyzed. A critical analysis of the agricultural development during the planning era, upto the Ninth plan period is also
attempted. The implications of the new economic policy, India’s membership in World Trade Organization (WTO) on agriculture and rural development are also examined.

Venkataraman and Muthiah (2001) studies the emerging issues and opportunities facing the agricultural sector in the short run of a decade or two and suggests strategies for improving the effectiveness of the technology development system. It argues that a decentralized area specific integrated research establishment with development responsibilities, backed-up by a competent apex research framework at the state and national levels, is critical for development.

Chand (2002) in her studies compares trade performance and trade flows of agricultural commodities in the pre and post World Trade Organization (WTO) period to find the impact of Uruguay Round Agreement on India’s agricultural trade. The author presents indepth analysis of behavior of international prices and discusses implications of volatility in international prices for domestic agriculture under liberalized trade. Again the author emphasizes changes in domestic infrastructural, institutional and legal framework to improve competitiveness of Indian agriculture and its capability to face the threats and opportunities thrown by the new trade agreement.

Planning Commission (2002) tenth five year plan (2002-2007), reported that as the ownership of livestock is more evenly distributed with landless labourers and marginal farmers, the progress in animal husbandry sector will result in a more balanced development of the rural economy, particularly in the reduction of poverty ratio. Even many small and medium farmers who derive yearly savings from
agriculture are dependent on livestock, especially dairy and poultry for daily subsistence.

Sawant, Vaidehi & Sandly (2002) have remarked, “While analyzing temporal trends in agricultural capital formation and particularly the inter-relationship between its two components namely public and private capital, forestry and fishing sectors should not be clubbed together. This is because within the sector proportions of public and private capital formation of the two sectors are remarkably different and even temporal trends in total and component wise capital formation have not been uniform for them”.

Rahman (2003) have conducted a study on marketing which oriented more towards urban marketing than rural marketing, though the rural market accounts for a major share in demand for products like batteries, salt, tea, washing soaps and safety razor blades etc. It highlights the potential Indian rural markets indepth the needs, psyche and the problems of rural customers to be successful in marketing in rural areas. So many companies are trying their best to gain deeper penetration into rural markets, the key to success and long retention in the market. Further he describes about the marketing of agricultural inputs viz., seeds, fertilizers, pesticides, tractors etc., which have a high potential market in India, a dominant rural economy. Agricultural Marketing and the problems faced by the farmers such as finance, transportation, and market information etc.. in marketing of agri-produce are critically examined. It also emphasizes on the role of government in the development of agricultural marketing and the role of some important institutions in the development of agricultural marketing in foreign trade.
Acharya and Agarwal (2004) study the pattern and channel of agricultural marketing and reveals that there had been a predominance of the middlemen, traders and profiteers from the primary stage of marketing upto to the secondary stage. This long chain of middlemen leads to the reduction in the share of the producers in the sale of their produce. The role of the middlemen is also seen even in the case of marketing of some perishable commodities like vegetables and fruits. The absence of storages and processing factories are the main causes which compel the growers/sellers to sell their produce to the middlemen unremuneratively and at a much reduced price. In addition to this, the farmers are not sound economically and there is no such financial institution which can assist the farmers for cultivating the major crops on a larger and commercial scale.

Lalzirliana (2004) have conducted a synthesis of the studies in agricultural marketing in the state of Mizoram. It particularly aims to analyze the changing scenario of agricultural marketing in India with the help of both the past and present studies. It emphases the importance and significance of the studies of agricultural marketing in a country such as India which is essentially an agricultural country forty percent of its national income is generated from agricultural sector and it provides livelihood to seventy percent of rural manpower. Agricultural development is of all round economic development of the country which needs a good market environment based for augmenting farm production. However, in the past and till the present day agricultural marketing has not received due weightage in the agricultural development policy and as such, production and marketing of farm produce could not achieve its efficiency level as anticipated by the governments.

Further the author explains the important role of marketing cannot be overlooked as it not only establishes the forward and backward linkages but also helps
the vertical and horizontal integration of agricultural activities such as production, marketing, processing, shipments etc. The scientific integration of these activities facilitates the agricultural system to function efficiently. It is therefore, commercial that both production and marketing need simultaneous concerted effort for its integration on scientific management principle. It is necessary to promote agriculture in an industrially backward state like Mizoram which faces challenges such as to enable the agriculture sector to achieve the goals of food security as well as the promotion of export potential of its surplus agricultural produce like ginger, chillies, chow chow, sesame etc.

Ghosh (2005) has opined that the extension of irrigation facilities and development of infrastructure leads to change in the cropping pattern and overall production technique as it creates a congenial condition for the application of new capital inputs such as chemical fertilizer, improved and high yielding varieties of seeds, pesticides etc.

Mandal, Dutta, Mahanty, Suchitra & Mahapratra (2005) have found out that agricultural sector in the North-Eastern States is experiencing a transitional phase, slowly shifting out from traditionally low income agriculture, but yet to reach the stage of pre-conditions for take-off into self-sustaining growth, under this stage of economic transition, various sub-sectors of agriculture and allied activities showed high growth prospects, when stimulated through policy initiatives. But the real challenge remains to sustain this growth rates in the long run. The study concludes that the process of economic growth and development for the north-eastern states is primarily dependent on agriculture sector and thereby, development planning should continue to follow agriculture-led-growth.
Singh (2007) has examined inter alia the trend of agricultural capital formation both public and private, determinants of private capital formation and their impact on agricultural production in the context of Manipur. He analyzes the impact of capital formation on agricultural production and growth in the state. It also deals with the impact of accumulated capital stock on agricultural production based on field survey data.

Baman and Barman (2008) have made a study on the growth and instability of foodgrains production in Assam. The authors conclude that in the context of the rapid growth of population and little scope for extension of cultivation to new areas, the future strategy of raising foodgrains production in Assam should be concentrated on increasing cropping intensity and greater emphasis should be laid on increase per hectare yield of crops. For these purposes farmers of Assam should be provided with all necessary facilities such as quality seeds, adequate fertilizers and water management, credit facilities, plant protection measures, marketing and storage facilities. Steps should also be taken by the government to distribute land in such a way that each farmer gets sufficient land remuneration production.

Borah and Chakraborty (2008) have made an attempt to study the pattern of growth and diversification of agriculture in the North-East Region (NER) based on secondary data collected from various sources. The study finds that the NER has diversified agro-climatic, soil condition and offers congenial environment for the development of Agriculture. But the reason is lagging behind in this front from many states of the country. The reasons of low production and productivity of agriculture in the region are many and varied. Among them institutional, technical and natural factors are principal broad factors retarding the growth of agriculture in the region. The overall suggestion of the study is that agricultural policies must take a holistic
view in the directions increasing double-cropped area, a diversified cropping pattern, creation of marketing infrastructure, provision of institutional agricultural credit in adequate amount etc., to enable the economy of the NER to realize its potential.

Planning Commission (2008) Eleventh Five Year Plan (2007-2012) suggested that food processing needs to be strengthened to create demand for agricultural produce, cut down or eliminate post-production losses and provide value added products. Investment in food processing, especially in rural areas would lead to a higher realization to farmers as this would generate additional demand farm products as well as create employment opportunities in the non-farm sector creating a virtuous cycle in the process.

Ramkishen (2008) in his study explores and analyzes the impediments in targeting the rural consumer and to discuss about the rural India psyche, which he considers is intelligibly pertinent in times of a disillusioned urban-rural divide. He also lays emphasis on approaches in areas of marketing agricultural produce to contemplate the lifeline behind the hinterland. He explains efficient marketing is a prerequisite for the development of any country. It ensures remunerative prices to producers, reduces marketing costs and margins, provides commodities to consumers at reasonable prices and promotes the movement of surplus in economic development. He further discussed about the imperfections in the marketing systems for agricultural commodities in India such as heavy village sales of Agricultural commodities, existence of malpractice, lack of market information etc. He concludes that the government should frame policies to overcome those problems. This studies highlights that there should be major focus on rural finance and marketing facilities such as grading, transportation, storage etc.
Saikia (2008) analyses present status of agriculture in the North-East region along with its potentials, problems and strategies for development. According to her development issues of NE region is not only related to economic factors but also to the diverse socio-cultural, ethnic and environmental factors. She has suggested some pertinent strategies for agricultural development in the NE states. Implementation of these suggestions will definitely accelerate the pace of development in these states.

Sharma and Kumar (2008) have highlights about the agricultural diversification and its contribution in the agricultural growth. The authors described agricultural diversification as an opportunity particularly in the rainfed areas which were rather by passed during the ‘green revolution’ phase. The study has corroborated the findings of agricultural diversification towards high-value food commodities could augment income, generated employment opportunities, empowered women farmers and conserve natural resources. Promoting agricultural diversification toward high-value commodities, doing value addition through their processing and creating appropriate markets for them can be used as an effective measure to alleviate rural poverty, generate rural employment and conserve natural resource in the niche areas.

Singh (2010) confides in his finding that the majority of farmers in the rural sector have realized the vast potential for the development of agriculture and horticulture which will be equally remunerative and socially beneficial. The improved production technologies developed at Research stations have not been transferred to the field due to lack of sufficient extension programme and infrastructure. The required organization support is highly inadequate despite major strengthening of the research system through National Research Centre (NRC). Motivation of farmers to adopt new technology through field demonstration is rather slow and has been carried out unsatisfactorily. Farmers lack skills and necessary information to make the best
decisions. Poor marketing infrastructure is one of the major constraints in the production and disposal system. The role of Co-operative society is negligible. Majority of the crops are rather handled by the owner in compulsion. The returns from such system are very low.

Roy (2012) expressed that intensive method of agriculture is prevalent in the high population density regions in South-Asia for examples India, Bangladesh, Thailand, China etc. This method of agriculture aims to maximize use of per unit area of land which might be both labour-intensive. Due to high pressure of population, even the smallest part of the land is cultivated intensively. Per capita productivity remains low but productivity per unit land always remains very high. In this region generally large proportion of the people are dependent on primary form of economic activity or agriculture. The percentage of fallow land remains low. The author further suggested that to intensify the production, agricultural inputs like fertilizers, High Yielding Varieties (HYVs) seeds, crop protection measures, irrigation facilities should always be given proper care.

The above cited reviews of literature have concentrated in one part or another area. No comprehensive study has been carried out in the state of Manipur regarding agricultural marketing with special reference to Bishnupur and Thoubal districts.

1.15 Objectives of the Study

The general objective of the present study is to investigate the nature and pattern of the rural marketing of agricultural produce in Manipur with particular reference to Bishnupur and Thoubal districts specifically. It is:

- to study the production of agricultural output in Bishnupur and Thoubal districts.
- to study the channels of distribution in the marketing of agricultural produce in the areas of the two districts.
- to analyze the causes of low agricultural production.
- to know buying behavior of rural consumers in both districts.
- to offer some constructive suggestions and guidelines to remove the problems associated with rural marketing.

1.16 Hypothesis

A good number of hypotheses may be tested in the present investigation. However, the under mentioned four hypotheses have to be tested on the available data precisely.

1. Low production of the agricultural harvest is due to the ignorance and illiteracy of the farmers.
2. The strong operation of big involvement of the middlemen traders reduces the profit margin of the cultivators/sellers.
3. Lack of modern methods of technology among the farmers which lead to low agricultural production.
4. Income level affects the buying behavior of rural consumers.

1.17 Methodology of the Study

For a proper and systematic study of the agricultural marketing in the state of Manipur adequate and reliable reports are required. The objectives of the study have been critically appraised by using both primary and secondary data. Primary data have been collected through the administration of questionnaire to the cultivators/ producers and on the other side of consumers/buyers section. Again primary information has been gathered through personal interview, group discussion and observations. Personal interview with some agriculturists, village merchants, village money lenders, traders etc., are also done to understand the existing marketing system of agricultural commodities in the state.
Secondary data has been collected from various publications, reports, journals, annual reports, Department of Agriculture (Manipur), Apex Marketing Societies of Manipur, Statistical Abstract of Manipur, Directorate of Economics and statistics Government of Manipur, Information and Public Relation, District Agriculture Office etc. All data and information collected from various sources are tabulated and analysis has been done with the help of appropriate statistical tools and techniques like percentage, chi-square, Multivariate Analysis etc.

1.18 Period of the Study

The period of study is twelve years commencing from 2001-2012.

1.19 Sampling Technique

The present investigation is confined to the two valley districts of Manipur viz., Bishnupur and Thoubal. Agricultural work particularly paddy cultivation is assumed to be the major resource of the livelihood in the study area so that the study subject is taken as producer/seller and buyer of agricultural product that is paddy. A pre-tested and semi-structural type of interview schedule is utilized as the tool for collecting the required information from the respondents. The schedule is designed in two separate sheets – one for producer and another for buyer. The data is collected through cross-sectional mode. As there is no sampling frame (list of the farmer as well as buyer) available, cluster sampling is adopted as sampling technique. The sampling units are allocated proportionally to the two districts and they are again allocated to sub-divisions. Each sub-division consists of both rural and urban areas. In this procedure, the villages of rural areas are treated to be clusters of the survey under study. The rural area is simply listed by excluding the urban areas of the wards of Municipal Council (MC), Nagar Panchayat (NP), Census Town (CT), Out Growth (OG), and Small Town (ST). This rural-urban differentiation is defined according to
“Population of Manipur: Social Statistical Indicator 2006” (Directorate of Economics and Statistics, Government of Manipur, 2008). Conducting a pilot study of 25 producers/sellers and 25 buyers, the clusters are drawn with simple random sampling without replacement till the required number of eligible respondents has been achieved.

The personal interview method is adopted for data collection as survey procedure. Firstly, the respondents are identified and convinced the needs and importance of the survey. So, they realize the significance of their co-operation to draw some valid information which would help the policy makers and programme executors to formulate the socio-economic development planning effectively for the state. After establishing a good rapport, the factual information is collected from the respondents. The sample survey was conducted during the period from the 27th April, 2009 to December 2010 taking the 27th April 2009 as reference date of the survey.

1.20 Sample Size and Tools of Hypothesis Testing

The sample size is determined by the formula “\( n = \frac{z_{\alpha}^2 \sigma^2}{\varepsilon^2} \) ” where \( n \) is the sample size; \( z_{\alpha} \), the standard variate value at \( \alpha \) level; \( \sigma \), the standard deviation and \( \varepsilon \) is the margin of error. The desired sample size comes to be 384. It is computed on the basis of the pilot survey with Mean ± SD of the amount of income generated from paddy production: Rs. 50,000 ± 15,000 under 95 per cent degree of precision with 3% margin of error to the mean. Paddy producers/sellers and paddy buyers constitute the study population. For simplicity in the analysis, 200 respondents is taken from the selected two districts (Bishnupur and Thoubal) each that is to say that altogether 400 respondents are involved in the present investigation. After selecting the cluster(s) – villages by simple random sampling without replacement, a complete enumeration is
performed. In case, the required number of study subjects is achieved before
completion of the survey in a cluster, the remaining study subjects are left out.

To test the variability in the information and also to test the hypotheses, the
classical statistical test say, $\chi^2$-statistics has been utilized and the levels of
significance is advocated with $P$-values. When $P<0.05$, the result is said to be
statistically significant and when $P<0.01$ the result is highly significant. Again, when
$P>0.05$ the result is said to be not significant, the effects of the factors influencing the
agriculture products are computed by using multiple regression analysis through SPSS
vs. 16.

1.21 Limitations of the Study

Agriculture being the main occupation of the people of Manipur, majority of
the people depend on it for their livelihood. Some of them are self-sufficient and some
sell out their surplus products. So, to study the marketing problems of all of them
would not be possible. For this, the study covers only two districts namely Bishnupur
and Thoubal districts. So efforts will be made to cover the maximum problems
associated with marketing in order to reach at good and concrete findings. Inspite of
all possible efforts to make the analysis more comprehensive and scientific, a study of
the present kind is bound to have certain limitations. The present study is an empirical
work presented in a descriptive manner. Since the objectives of the study may well be
meeting with by this kind of analysis, no attempt has been made to provide conceptual
analysis and theoretical framework about agricultural marketing. However, the
essence of different approaches of marketing is rightly understood and followed. The
period of study is limited to 12 years 2001 to 2012. Again collection of primary data
is the most difficult task in the present study. The study is well aware of the
limitations of the survey method based on sampling technique. Further, it is inevitable
that analysis has to be based on ‘opinion’ and ‘observations’. In such cases the results at best are only near to the truth. However, an earnest attempt has been made to analyze and report the opinions of the farmers, traders and officials on different aspects of agricultural marketing as objectively as possible without allowing bias to dominate them.

1.22 Chapter Scheme

The present study is divides into five chapters.

Chapter - I Introduction

This chapter highlights introductory part and the historical background of agricultural marketing as is actually practiced in India. The relevance of agriculture in economic development has also been presented. It covers history and growth of agricultural marketing, importance of agricultural marketing, rural market, constituents of rural market, rural marketing environment, rural products, regulation of agricultural marketing, co-operatives marketing and problems of rural marketing are also discussed at length. Significance of the study, objectives, hypothesis, methodology of the study, period of study, sampling technique, sample size and tools of hypothesis testing, limitation of the study and review of literature are also mentioned in this chapter.

Chapter - II Agricultural Development in Manipur

This chapter describes agriculture in relation with horticulture products in Manipur, role of agricultural marketing in the state, agricultural produce marketing in Manipur, distribution channels of rural marketing, fertilizers position in Manipur, promotion of integrated nutrient management are discussed in detail. Profile of the sample districts, including location, geographical area, climate, administrative units,
population, literacy, Industry, land utilization, irrigation, cropping pattern, occupation structure, information on markets, information on infrastructure facilities in relation with marketing are studied in depth.

**Chapter - III Quantitative Analysis on Agricultural Produce and Marketing**

In this chapter a detailed in depth study of important features of peasants in rural society, production linkages, castes of cultivators, educational background, family members, age, family income, economic status, sources of finance, harvesting season, weighing and measurement, timing of disposal of the produce, place of disposal centre, channel selection, Mode of transport, storage facilities. Multivariate analyses of rural marketing on agricultural produce are also discussed at length. An analysis in this chapter highlights the areas necessitating improvement in the field of agricultural marketing.

**Chapter - IV Rural Consumer Behavior**

This section deals with the introductory part of rural consumer behavior. It also covers rural consumers and their characteristics, satisfaction of the price of agricultural products, price comparison, charges in prices of agricultural products, involvement of family members in buying products, education and family income, place of purchasing agricultural products and family income, other related problems and family income, transportation facilities and family income, duration of purchasing agricultural products and family income, quality of agricultural products and family income, mode of purchasing agricultural products and family income, factors for purchasing agricultural products and family income.
Chapter - V Results, Implications and Conclusion

Chapter V describes results of the study. Results are classified into two ways, one from the cultivators/producers side and the other is from the buyers/consumers section from both sample districts. It is based on both primary and secondary data related with the present study. Implications are also highlighted in the areas necessitating improvement and effective in the field of agricultural marketing and conclusions are made in relation to the present study.