Chapter–I
INTRODUCTION

Agriculture is a way of life, a tradition, which, for centuries, has shaped the thought, the outlook, the culture and the economic life of the people of India. Agriculture, therefore, is continued to be central to all strategies for planned socio-economic development of the country. Rapid growth of agriculture is essential not only to achieve self-reliance at national level but also for household food security and to bring about equity in distribution of income and wealth, resulting in rapid reduction in poverty levels. Indian agriculture has made rapid strides and the annual food grains production which has increased from 51 million tonnes in early fifties to 206 million tonnes at the turn of the century. It has contributed significantly in achieving self-sufficiency in food. Despite reaching new horizons of development in several spheres, agricultural sector is still far behind as compared to the country’s other sectors, so far as improving the condition of farmers is concerned. Various strategies have been formulated from time to time to improve the lot of farmers, but the economic condition of small and marginal farmers is still very bad, despite a higher economic growth rate. It is because of fact that, the serious efforts could not made to ensure a remunerative return to farmers at grass roots level for their produce. As a result, the lot of general farmers continues to deteriorate day by day and some have been forced to commit suicide (New Agricultural Policy, 2007).¹

Since, the farmers are unable to get a higher remunerative return of their produce; it has become necessary that a proper arrangement of marketing network of their produce is made, in order to enable the farmers to improve their condition.

Periodic markets are an integral part of the marketing network, and are free from the complexities of various rules and laws such as in regulated markets. Here, the farmers are able to get a higher remunerative return of their produce. It stimulates production and

consumption, thereby accelerating the pace of economic development in agricultural sector.

During the last fifty years, there has been a remarkable development in the field of economic geography. It has moved in new interesting direction, which is known as marketing geography. The word ‘market’ has been derived from Latin word ‘marketus’, which refers to the method or place of contact between buyers and sellers. Thus, the market is a place where people gather for purchase and to sell their provisions, i.e., agricultural and non-agricultural (Bazman, 1959\(^2\), Coulson and Corr, 1962\(^3\)).

Markets are playing a vital role in the life of people with the advancement of the society. Today, they have become yardsticks to measure development of the world economy. Advanced countries have an edge over developing and under developed countries, in terms of size and number of the markets. For example, Japan, U.S.A., and West European countries have larger density of markets and shopping centres rather than developing countries like India in South East Asia, some of the countries of South America and most of the countries of Africa (Foggerland and Smith, 1979).\(^4\) The developed area, even in India have better availability of markets where one can easily find the developed market centres, with a larger volume of trades, as in Punjab, Haryana, Delhi, Karnataka, western Maharashtra and the industrial belt of the Hoogly zone. Now, it has been proved that some areas in the world have developed very rapidly with the development of market centres (Powar and Lokhande, 2004).\(^5\) When this fact is examined in local perspective, it is beyond doubt that market centres are actually the focal points from where the impulses of social and economic development spread to the rural areas.

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However, for a rapid development a feedback is also essential from the rural or surrounding areas. It is fact that, periodic markets are the lifeblood for the development of the rural areas, particularly in backward rural masses, where the economy is mainly dependent on agriculture. The importance of local market centres has been proved an incentive of economic growth, at the local level.

Periodic markets are important features of economic space in the world especially, in the countries of developing economy. As far as the term periodic market is concerned, it is a type of market based on temporal character. The term periodic reveals the happening of any event at regular intervals. Hence, periodic markets may be defined as the place where traders and consumers meet at particular interval of time, on a specific day or days of the week, fortnight, in a month, and so on.

Such markets are not uncommon in African, Latin American, as well as Asian countries. Their presence has been reported even in developed countries like France and Germany (Hodder, 1965). Periodic markets are known by different names like Suq in France, \textit{haat} in Bengal, \textit{Bazar} in eastern Uttar Pradesh, \textit{Painth} in western Uttar Pradesh. Particularly in the study area, periodic markets of livestock with other commodities are called \textit{Nakhasa}.

1.1 Significance and Scope of Periodic Markets

The periodic markets as nodal points or growth poles are very significant for the rural development, especially in agriculture and cottage industries sectors. The agricultural surplus either in original forms or in processed forms, reaches the consumers, at appropriate time or place. The farmers get money through the transaction, for investment in their agricultural activities. Thus, the availability of market facilities is one of the pre-requisites for a break through in the cumulative

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growth of agriculture in a region. In semi-subsistence type of agriculture, where production is mainly to fulfil the needs of family, periodic markets are the main source for providing facilities for selling their agricultural surplus to get money and incentive for increasing production (Shrivastava, 1977).  

The periodic markets play an important role in socio-economic life of people because of the fact that they are the centres of collection and distribution for small rural and urban produce. They serve not only as a places of transaction of goods and commodities but also provide an opportunity for the people to meet and discuss the matter of mutual interest, particularly social, political and economic conditions prevailing in the area.

The periodic markets are public places, where the exchange system between sellers and buyers is established. They avoid the direct competition with neighbouring markets and provide better opportunities for sellers and consumers who visit all markets in a market week. Therefore, these centres are considered as collection points for agricultural surplus and products of cottage industries. These markets provide a basis for diversification of both agricultural and cottage industry. It is because that the people, through the markets, are able to know the demand and supply of products. Some periodic markets encourage the hinterland for an all-round development in socio-economic and agricultural fields.

Moreover, Periodic markets attract the politician mainly during election period. By visiting the markets, they come to know the problems of agricultural as well as regional backwardness. Thus, it is also a way for the agricultural development.

There are different kinds of periodic markets, weekly, bi-weekly, tri-weekly, monthly, quarterly, half-yearly and annual fairs. These markets are visited by three

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kinds of people (i) sellers (ii) consumers, (iii) by standards and administrators. Sellers are those persons who sell the commodities in the markets. They may be divided as producer-sellers, part-time traders, full time traders and buying traders. The producer sellers visit the markets once or twice a week, to sell their own surplus and work on their farms during the remaining days of the week. The full time traders are those traders who visit, almost, all the markets held in a week. They bring the commodities either from urban centres or from villages, for selling in periodic markets. They are also called as selling traders. The buying traders serve as consumers in the periodic markets and purchase the commodities from urban/town markets or in village markets (Eighmy, 1972).^8

Consumers are those persons who visit the markets for buying commodities of their daily needs. By standards are the persons who visit the markets for meeting people or for just going around the markets while the administrators are responsible for the maintenance of law and order in the markets. They are generally of high status in society (Amani and Khan 1993^9, Saxena, 2003).^10

The periodic markets are held in rural areas under the management of landlords, Gram Panchyat, Zila Panchayat. Such markets are also held in urban areas in the spaces that are prescribed by local bodies or along the roads. In these markets, traders have to pay some charges to local bodies or market owners for putting their stalls or shops in the markets. The charges are known as tahabazari, bathaki. It is

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paid both in kind and cash which varies from commodity to commodity and trader-to-trader (Khan and Ali, 1998).11

Thus, the periodic markets are the decision makers of agricultural activities. The farmers turn their traditional cultivation of the particular crop for others one, based on market price of such commodities in the market. It decides the limit of their activities within which they revolve. The urban centres in neighbouring area directly or indirectly affect the size and shape of local periodic markets. According to Hodder (1961)12, the traders who mostly visit the periodic markets from urban centre are the buying traders who come to the markets to buy the commodities, which are either expensive or not available in the urban centre. Moreover, the market is also affected by physical and socio-economic factors prevailing in the area. The size of the village markets varies, being affected by a number of factors, i.e., occurrences of festival, success or failure of crops, seasonal variation of rainfall in a particular area and so on.

1.2 Literature Review

1.2.1 Review of Work Done in Marketing Geography Abroad

Marketing geography is an important sub-field of economic geography. The study of distributive system of commodities and services between producers and consumers were rarely undertaken by geographers up to 1950. Some sporadic discussion and surveys had been made on marketing activities, both in rural and urban centres in the world. But these studies were considered as a part of either urban geography, industrial geography or agricultural geography.

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However, the fifth decade of the twentieth century witnessed the introduction of new discipline of marketing geography. William Applebaum (1954)\(^{13}\) laid the foundation of this discipline by defining well, the field and scope of marketing geography. He stated that marketing geography is concerned with the delineation and measurement of market with the channels of distribution, through which goods move from producers to consumers. During the 1960’s and 70’s marketing geography became very popular in western world, especially for planning the location of different commercial firms in U.S.A. and Great Britain. But, most of the studies were concerned with the wholesaling and retailing in the urban centres.

The market centres were considered as functions of centrality which provided various types of function and service to their tributary areas. With the introduction of central place theory of Christaller (1933)\(^{14}\) and Losch (1954)\(^{15}\), the study of service centres including wholesaling and retailing became very common.

Hodder (1953)\(^{16}\) highlighted the distance factor in determining the demand of goods in the market centres. The limit of market area is the maximum range of threshold value of goods distributed from market centres. Skinner (1965)\(^{17}\) identified three-tier system of exchange, which was temporarily interlocking. He recognized rural markets as the smallest unit associated with intermediate and central markets at national level of exchange system.


The geographical importance of market was emphasized after the publication of Berry's Market Centres and Retail Distribution (1967). A substantial part of this book is devoted to the markets in peasant societies, particularly considering market location and their periodicities. Many studies on the cognitive and behavioural approach to markets were also undertaken by Ambrose (1968), Garnier and Delobez (1979).

Hay (1977), Smith (1972), Eighmy (1972), and Symnaski (1974) analysed the location and frequency of periodic markets in different study regions of the world. Hay observed the location of periodic market with reference to economic factors while Smith, Symnaski and Eighmy viewed spatio-temporal relationships of periodic markets.

Credit goes to Bromely (1971, 1974) for presenting a literature on marketing geography in the form of review and bibliographies during 1970's. With the establishment of the International Geographical Union (IGU) and a working group on market distribution system/market place exchange system (1972-73), the study of marketing activities in geography has been accelerated, not only in developed...
countries but also in developing countries like India. The pace of development has been very rapid in the nineties of last century. The study group was transformed into group of commercial activities in France IGU summit in 1998. Afterwards, this group was changed into IGU commission on commercial activities in 1988 and now, a new group has been formed as study group on globalization of retailing. Laermans (1993), studied about the departmental stores and their effect on the shaping of the modern consumer culture. Lee (1993) emphasized on structural imperative of capital, which normally achieves expansion through the extension of consumer markets, across new geographical regions with the slogan “effort to induce people to buy.” Knudson et al. (1997) observed many features of the mass consumption and employment in United States. Hallsworth (1998) studied on the superstores and their impact on trade of the town regions. Turner (1999), made an effort for study of livestock marketing system in Sahel region of Africa. He emphasized on the selling price of different species of livestock, are correlated with time, which are brought to local markets. Kidston (2000) analysed about the rise of internet shopping offers traders and towns the opportunity to develop ‘virtual streets’ to attract customers from farther a field and provide access to a broader range of goods that is available to local

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shoppers. Hapke (2001)\textsuperscript{33} highlighted the primary role of the fish market in integrating small-scale producers into the national economy. Jeffery (2002)\textsuperscript{34} attempted for the sale of wheat, potato, and sugarcane and its contribution to peasant society. Wilson (2005)\textsuperscript{35} extended his view that culture is an integral part of the landscape of the commodity exchange and consumption.

Thus, the field and scope of marketing geography has widened to a very considerable extent.

1.2.2 Review of Work done in Marketing Geography in India

The beginning of marketing geography as a separate discipline is of recent origin, the genealogy is not traced back before 1980. Shrivastava (1984)\textsuperscript{36} stressed that it was in 1980, when attention of geographers were drawn towards the study of market centres. A very sporadic attempt was made by geographers of developing countries, especially in India during the period 1930-50 to study the market centres.

In thirties, it was the beginning period of periodic marketing geography, when some remarkable studies about the markets for Malabar products, the fairs and trade centres of Madurai and Ramnad districts (Krishnan, 1932)\textsuperscript{37} made their appearance. During the forties, the trade centres of Tinnevelly district and cotton markets of Tinnevelly district, agricultural marketing in the western United Provinces (Mathur, 1944).


1941), and market villages and periodic fairs of Bombay, Karnataka (Deshpande, 1941) were studied by geographers. Their contributions were vital to the development of marketing geography made a modest progress in India in fifties. The study of the weekly market at Barpali (Patnaik, 1953) and the bi-weekly market at Modinagar (Mukherjee, 1954) are the remarkable studies that were made in the field during this period.

Marketing geography made remarkable progress in India during sixties and seventies. Notable contributions were made during this period by Singh (1962) and Mukherjee, (1968). Geographic perspective in marketing has been made on micro, meso, and macro level by Dixit (1984). It is an admitted fact that markets are the centres of multifunctional activities like commercial, political, and social etc. They play a great role in economic development and social integration of rural society. Hierarchy, trade area, and planning perspectives have attracted quite a good number of marketing geographers. Planning perspective and related aspects have been over looked by the research scholars, where as synchronization of market centres has attracted the attention of the researchers. The last decade of 20th century recorded the development of a broad base of marketing geography. The thrust of research was diversified. Socio-economic attributes were also included in the content of study of markets.

Many national and international conferences were held, especially on commercial activities in India, under the auspices of IGU commission on commercial Activities. Two of them were held in Gorakhpur and at Pakhara (Nepal) in 1992 and 1994 respectively. Mundra (1995) emphasized the need of marketing research in rural areas for various problems, challenges, and strategies as transportation, communication, market channel, and management. Malaviya (1996) made an investigation on study of impact of rural attitudes, habits, social standard, important festivals, crop seasons, astrology, local institution on haats, fairs, and rural marketing. Rasane et al. (1996) studied on marketing of buffalo and crossbreed cows. Khan and Rao (1997) made an attempt for economic analysis of marketing of milch buffaloes. Mulla (1997), studied the marketing costs and price spread in regard of livestock marketing. Sharma and Singh (1998) studied marketing of livestock through regulated markets. Khan and Ali (1998) have studied about rural transformation and rural markets. Sultana (1999) studied geographical analysis of rural market and demand of the people of region concerned.

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Maity and Das, (2000)\(^{53}\), Kumar, et al. (2000)\(^{54}\) projected economic importance of small and marginal farmers through their involvement in household livestock rearing, especially of small species like goat and poultry.

Bujarbaruah, and Rohilla, (2001)\(^{55}\) attempted a study on livestock farming and cropping in regard of a good farm of sustainable agriculture. Dixit (2001)\(^{56}\) realized the theoretical patterns of agricultural markets over the space of Uttar Pradesh. Balappa and Hugar, (2002)\(^{57}\) attempted to study of integration of markets for onion and potato in Karnataka.

Shaheen and Gupta (2002)\(^{58}\) have studied economics of apple market in Kashmir. Misra (2003)\(^{59}\) has reflected focus on diversification of agriculture, agricultural trade impact of W.T.O. on agricultural marketing system and agriculture marketing reforms. The book entitled ‘Marketing Geography’ (Saxena, 2004)\(^{60}\) is the reflection of multi-facts of marketing geography. Powar and Lokhande (2004)\(^{61}\) assessed the spatial distribution of market centres and their role in regional development. Indurwade (2004)\(^{62}\) made an

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attempt to light on the relationship with transport infrastructure and marketing of agricultural produce. Singh and Chauhan (2004)\(^63\) studied on marketing of vegetables in Himachal Pradesh and attempted to identify the existing marketing channels of vegetables marketing. Pawar and Pawar\(^64\) gave contribution to find out the relation between price spreading and its effect on market efficiency of green chillies. Suri (2005)\(^65\) emphasized for information network to agricultural marketing in India in regards of globalizing of Indian agriculture. Lokhesh et al. (2005)\(^66\) presented an economic analysis of tomato production and marketing for different purposes. Jaffar (2005)\(^67\) studied about the marketing efficiency of banana in Maharashtra. Sarker and Das (2005)\(^68\) made an effort to examine the consumption pattern, marketing channel and price of agro-produce. Pandit (2005)\(^69\) highlighted an analysis of the marketing channel, and price spread in order to ascertain efficiency of dairy cattle. Khan et al. (2006)\(^70\) cleared the various aspects of livestock marketing in regard of diversification of agriculture. Devraj


Devraj Urs (2006)\textsuperscript{1} observed emerging of paradigms of agricultural marketing and felt the requirement of micro-marketing enterprises in agricultural marketing sector to benefit the millions of poor. Agrawal (2006)\textsuperscript{2} pointed out the scenario of agricultural marketing in the country that has gone under a sea change over a last decade, especially on the onset of technological revolution.

Moreover, the review of the past works attempted in marketing geography, both at national and international levels were mostly concerned with the analysis and discussion of market structure, morphology and market participants, both in the rural and urban market centres. The mechanism and system of agricultural products at grass roots level, periodic markets were studied casually. Such themes deserve a proper attention for the development of an integrated agricultural marketing system with well knitted from villages to international markets.

A number of useful studies have been made to analyse and evaluate the different aspects of market centres, especially of rural markets but little attention has been paid to examine the relation between periodic markets and agricultural transaction, which affects the socio-economic life of the population at the bottom level.

In the view of importance of periodic markets in agricultural sector at grass roots level in the semi-subsistence type of economy, a micro geographical unit Shahjahanpur district has been selected as a study area. It is situated in the tract between the Ganga and foothills of the Himalayas in Uttar Pradesh, has five natural divisions, i.e., the Tarai forest belt, the Gomati basin, the Central bangar land, the Ramganga khadar and the Bankati. The major section of population of the district is engaged in agricultural


activities. The rural population is more or less dependent on periodic markets for selling and purchasing of agricultural and non-agricultural commodities, especially perishable goods and livestock. These markets also provide employment to workers of unorganized sector and source of livelihood for itinerant traders, who purchase the agricultural commodities from different places to sell in periodic markets.

The district of Shahjahanpur covers an area 4575 sq. km and a population of 25.49 lakh. There are four tahsils (subdivisions), 14 community development blocks, 11 urban centres, 2425 revenue villages, and 170 periodic markets. The per capita land availability is 0.18 hectare and average agricultural productivity is 27.65 quintals per hectare.

1.3 Objectives of the Study

Taking into consideration the significance of periodic markets in socio-economic life of the people in Shahjahanpur district, the work has been undertaken with the following objectives-

1. To understand spatio-temporal distribution of periodic markets.
2. To analyse and classify periodic markets.
3. To examine transaction of different commodities in periodic markets.
4. To assess the role of periodic markets in the transaction of crops and livestock.
5. To evaluate marketwise socio-economic condition of the participants.

1.4 Hypotheses

In the present study following hypotheses have been tested.

(i) Periodic markets are unevenly distributed on the space.
(ii) Periodic markets are the main centres for vegetable transaction.
(iii) The proportion of transacted food grains is low in periodic markets.
(iv) Periodic markets are the major source for the transaction of livestock.
(v) Periodic markets are the meeting places for marginal and small farmers as well as workers of unorganized sector to transact agricultural commodities.
1.5 Data and Methodology

The study is based on the primary as well as secondary sources of data. The secondary data were collected from District Statistical Magazine, District Development Magazine, Census Office, New Delhi, Zila Panchayat Office, Shahjahanpur, District Food and Marketing Office, Shahjahanpur, District Agricultural Marketing Office, Shahjahanpur and District Agricultural Authorities, Shahjahanpur.

The primary data were collected from three comprehensive field surveys through direct questionnaire method in the months of July-August, November-December, and April-May, 2005-06. Out of 170 periodic markets, 34 were selected by using stratified random sampling technique for detailed information regarding the transaction of crops while 14 markets, one from each block for the transaction of livestock. On the basis of stratified random sampling, 50 per cent commodity wise traders of each periodic market were interviewed for detailed information regarding physical and socio-economic conditions that affects the transaction, marketing channels, prices of agricultural commodities.

The collected data were processed in tabular form and to derive specific conclusion the different statistical techniques used in the analysis includes the nearest neighbour analysis, Doi’s crop combination, rank, composite functional index, simple mean and simple percentage methods.

Various statistical and geographical techniques, using GIS technique have been used to analyse and represent the data through choropleth and isopleth maps, ogive and frequency curves as well as bar and pie diagrams.

1.6 Chapter Scheme

The present study has been divided into five chapters
Chapter I introduces the meaning, significance and scope of periodic markets, includes a review of literature, statement of the problem, objectives of the study, hypotheses, data and methodology, and chapter plan.

Chapter II examines the geographical background of the area and gives a detailed description of physical and socio-economic environment of the district including with location, topography, soils, drainage, climate, vegetation. It also describes different dimensions of population, land use, cropping pattern, livestock, industrial economy, and transportation.

Chapter III deals with the distribution and analysis of periodic markets in Shahjahanpur district with their origin and development, distribution with spatio-temporal analysis of periodic markets in relation of its area and population, cropped area, inhabited villages, and periodicity, day wise frequency. Moreover, the classification, consumers and traders' behaviour, hierarchy, trade area and functional aspects of periodic markets have also been discussed.

Chapter IV describes the role of periodic markets in the transaction of crops. This chapter analyses the transaction of agricultural commodities through different agencies. It gives a detailed marketwise description of marketable production of vegetables, wheat, paddy, pulses oilseeds, fruits and different sellers engaged in dealing with these commodities have been presented. It also discusses the price structure, marketing channels and some methods of transaction.

Chapter V deals with the description of livestock transaction through the periodic markets. The detailed marketwise analysis regarding transaction of buffalo, cattle, goats and use wise livestock have been under taken. It also examines about the traders engaged in the trading of livestock, price structure, and marketing channels.

In the last, the conclusion summarizes the main findings of the study and gives suggestions for improvement of agricultural marketing system in periodic markets in Shahjahanpur district.