CHAPTER I

INTRODUCTION
Development of agriculture has become a major socio-economic aspiration. Economic development is a continuous process which controls poverty and unemployment; and thereby leads a country to a level of self-sustaining growth. It is a process of contribution as Mellor (1961) put it thus: "Increasing per capita levels of living and general well-being depend upon the development of agriculture". Agriculture production is, thus, the key link in the chain of economic growth. Raising agricultural productivity supports and sustains the development of industrial sector.

Countries like the U.S.A., Canada, Australia and Argentina achieved agricultural development by high capital labour ratios and high rate of capital formation. These countries were able to produce large food and abundant surpluses; and were direct beneficiaries of the industrial revolution which created readymade and rapid growing markets for their agricultural produce. In these countries, the agricultural development was achieved in a short time with minimum effort and hardship; and was a major contribution to

their subsequent economic development. Japan too attained a remarkable and appreciable achievement through its success in agriculture.

Agriculture is the largest sector of economic activity in India. The improvement or changes in the national output depends on the output of agriculture. The economy of Andhra Pradesh is a replica of Indian economy which is predominantly rural based and agricultural dependent. The highest priority has been given to the development of agriculture in Andhra Pradesh through the Five Year Plans.

Role of Marketing

Marketing is a key economic factor. Technological revolution, better communication and introduction of money


economy increased the size of market and marketing. The concept of marketing too significantly is applicable to the agricultural economy. The process of marketing in agricultural produce is as much enough as comprehensive. Saxena has stated that "Agricultural produce has become a very complicated process beyond the comprehension of the producer". The tempo of the agricultural production, objectives of Green Revolution and the underlying motto of agricultural economy could be achieved by providing one measure called 'MARKETING' service.

Marketing has been considered as an important segment of the agricultural production programme and it serves as an indicator for determining the rural development programmes which collectively lead to the development of economy. Academicians recognised that there is a close relationship between the economic development and the marketing. The economists who firmly advocated this view are: Johnson, G.C., Hotton, Byer, Baror and Yonay, Newmark, Memmor, Leela, Spine and Farruk. Mathiyas (1969) has stated that "Marketing has, perhaps, its greatest and most enduring role to play in the regeneration of agriculture in bringing

the rural community into the main stream of national life".

All this clearly indicates the need for an efficient market infrastructure without which the farmers may not realise the fair price and remunerative return for the efforts they have made in increasing production. The Royal Commission on Agriculture has emphatically stated that "Unless the cultivator can be certain of securing adequate value for the quality and purity of his produce, the effort required for improvement will not be forthcoming". It is considered that the agricultural marketing occupies a predominant position in the marketing economy as three-fourths of Indian population depend on agriculture since it is their main occupation.

Features of Indian Farmers

Indian agricultural producers remained economically weak. Further, they are unorganised which made them amenable to exploitation. But, the middle-men become stronger. The farmer is successful if there is


monetary gain for the increased output through increased yields coupled with remunerative price by better marketing service. The conditions under which the farmers dispose of their production and the price that they realise have a significant bearing on production activities. Therefore, greater attention and care is needed to improve marketing system.

Agricultural Marketing

The entire production of different agricultural commodities does not go to the market. It depends upon the marketable surplus, immediate need for cash, price trend and availability of storage facilities. The marketable surplus depends upon the level of production on the one hand; and the farmer-household requirements on the other. Marketable surplus is the residual left to the producer after meeting his family consumption, farm needs and labour payments in kind. Marketable surplus is the quantity of sale irrespective of the requirement of a grower.


Marketing of agricultural produce is no less important than production and consumption. The experiences of advanced countries have also shown that economic progress and market development are interdependent. Agriculture is a dynamic one, involving constant change in the structure of economy.

The basic elements of agricultural system are production and marketing. Desai (1962) described that "Marketing of agriculture produce is as important as the production itself". Faruqui Nayyar (1972) said that "As a link between producers and consumers, marketing plays a very important role, not only in stimulating production and consumption but also in increasing the pace of economic development". According to the Marketing Committee of


United Nations Conference on Food and Agriculture held in October 1945 at Quebec, "Marketing is crux of the whole food and agriculture problems. It will be useless to increase the output of food and would be equally futile to set up optimum standards of nutrition, unless means could be found to move food from the producer to consumer at a price which is remunerative to the producer and is within consumers ability to pay".

Thus, the success of any agricultural development programme rests ultimately on the efficiency of the marketing system. According to the National Commission on Agriculture, "Agricultural Marketing is a process which starts with decision to produce a saleable farm commodity and it involves all aspects of market structure, both function and institutional based on technical and academic considerations and includes pre and post-harvest operations, assembling, grading, storage, transportation and distribution.


Need of Sound Agricultural Marketing

In the marketing system, three entities are involved. They are the producer, the consumer and the middleman. "Shortage of storage facility, expansion of middlemen and their malpractices, high degree of illiteracy and ignorance of farmers increased demand for agricultural produce from urban population and added greater marketable surplus, together have called for rapid improvement in the existing marketing system." The economic progress and market development are interdependent. Various problems which embrace all faces of economic activity including production, distribution and consumption are suitably tackled otherwise economic progress gets arrested. "Improving technology is one of the major measures adopted by the advanced countries for promotion of economic progress." Therefore, a sound agricultural marketing need is a must.


Now-a-days, the farmers' main concern is profitable marketing of farm produce. The farmer will be convinced when he is assured of a good market for his produce. Ch. Shah has rightly pointed out that "If farmers income is to be enhanced appreciably, the adoption of improved production techniques must be hand in hand with efficient marketing". The whole programme of production enhancement would be of no value, if it is not followed by sound marketing.

Review of Literature

A detailed review of related studies is presented to provide an insight into the issues of the present study.

Kangh Hyum, O.H., (1979) studied structural changes in respect of marketing of food-grains, fruits and vegetables and livestock. He suggested "A plan comprising price stabilisation programme both in the short and long-run". Bazlur Rehman, A.K.M., (1979) conducted a rural


18 Kangh Hyum, O., The Plan of Rural Markets Improvement in Korea, Republic Korea; Ministry of Agricultural and Fisheries, 1979, p.342.
market survey in Bangladesh. He found that most of the rural markets in Bangladesh suffer from physical disabilities as lack of auction platforms, and that if these are provided, it is likely to improve the returns of the producer-sellers. He suggested that:

1. "Expansion and pavement of the market yard, lanes and by-lanes.
2. Construction of sheds and covering of market yard.
3. Provision for platform for fish and meat.
4. Raising of the market yard above the floor level where necessary.
5. Provision for proper drainage, sanitation and their regular up-keep.
6. Improvement of approach roads.
7. Provision for supply of water.
8. Publicity of fixed toll rate at all levels."

Subba Rao, K., (1983) in his study categorically concluded that "The relative profitability of a farmer, 19

selling his produce in a rural market place is higher as compared with that of his selling the same produce at a regulated market. The size and class-bias are higher towards small and marginal farmers leading to scale disadvantage."

Vipin K. Garg., (1989) studied the socio-economic implications of setting up of new market yards, with special reference to two markets in Uttar Pradesh viz., Dankapur and Muzapurnagar. It concluded that "The construction of new market-yard for agricultural produce is not likely to benefit always as is often thought of. The other reason for this conclusion is market management".

The proper training of agricultural marketing personnel is the pivot of balancing production and marketing for economic progress in the field of agriculture. Profitable marketing is the most important incentive for increasing production which can be achieved through trained


marketing personnel and marketing process. The Directorate of Marketing and Inspection has been the pioneer institution in training marketing personnel employed in the State. The Central Agricultural Marketing Training Programme should be broad-based and should cover all the important aspects of agricultural marketing, such as marketing structure, marketing functions, marketing planning, marketing efficiency and marketing strategies. "Greater emphasis should be given to practical aspects in the field" as opined by Ram (1989).

Agarwal, D.P., (1986) stressed "the need for information system in rural areas. In the absence of marketing information, villagers have practically no contact with outside world, nor one in touch with the trend of market conditions. Efficient marketing cannot operate in an information vacuum. Adequate storage programme, efficient transport service and an efficient standardisation programme, all depend to a considerable extent, on good information".


Venkata Reddy, K., (1993) in his study, Rural Marketing highlighted the marketing problems and suggested remedial measures to solve such problems. For removing the defects and strengthening of rural marketing, among others, the recommendations of the National Commission on Agriculture should be implemented. They are:

1. "The markets should be very near to the villagers with adequate facilities for grading, weighing and storage of all commodities.

2. The village roads should be improved by the Zilla Parishad and Public Works Departments.

3. The branches of cooperative marketing societies should be established at all regulated markets and all inputs needed by farmers for agricultural operations should be made available to them through the primary cooperative marketing societies.

4. The conventional bullock-cart needs to be redesigned so as to improve its efficiency.

5. Railways must provide easy and quick transport facilities to the rural areas.
6. Rural people must be provided with adequate storage facilities, apart from training farmers in the methods of scientific storage and pest control.

7. Extension education in marketing should be improved through regulated markets, primary cooperative marketing societies and farmers servicing societies."

In addition to the above, the Government's direct involvement in marketing of certain agricultural products and institutionalising agricultural marketing by facilitating the formation of cooperative marketing societies are also important.

According to Rakesh Honda (1992) "The rural markets are neglected not because the companies would have to develop new marketing strategies, produce an entirely new line of products or develop new concepts in principle, but because of perceptions based on biased industrial views commonly followed by all companies due to the labour involved

The major reasons for small size of the rural market are low purchasing power, slow rate of change in attitudes, widespread of villagers, inadequate road networks and communications. The other factors impeding rapid growth of rural markets are inadequate fine-tuning of the marketing-mix for rural areas. Scant marketing research, poor media reach, a limited number of retail outlets and the encouragement of spurious products, as observed by Rajendra K. Aneja (1993).

Venkata Ramaiah (1972) mentioned that "Agricultural Market Finance Corporation needs to be constituted for rendering financial assistance for the speedy development of markets". Varadarajan (1990) stated that vital question of finance and communication remain the major constraints for developing markets. He made a suggestion to set up an Agricultural Marketing Bank to


27. Venkata Ramaiah, Emerging Problems in Agricultural Marketing, Bombay; Society of Agricultural Economics, 1972, p.32.
provide finance to the farmers. He has also stressed the need for an improved marketing system with appropriate infrastructural and credit facilities.

The International Crop Research Institute for Semi-Arid Tropics opined that the producer-sellers were not only interested in selling the produce at a remunerative price but also wanted to purchase their necessities at cheaper prices at market centres. It revealed that Indian market cannot be developed without solving the problems of rural marketing and rural finance. There are a number of intermediaries between the seller and the ultimate consumer. The innocent and illiterate farmers are being exploited by the greedy middlemen. The malpractices such as manipulation of weights and measurements, taking away the surplus without payment, are rampant.

In developing countries, well organised markets will encourage even the small farmers to produce much marketable surplus of food crops. Rural marketing helps to


maintain stability in prices and also economic stability in the country. It also helps to achieve and maintain a higher standard of living. "Through well developed rural marketing, it is possible to develop the rural economy" is the opinion of Vasant Desai (1985).

Gupta, A.P., and Mukesh Shrivatsava (1993) stated that "Rural marketing must not be viewed by prospective entrants as mere expansion of business. The rural marketing participants have a much bigger role to play as compared to what they have been in the urban areas".

Prof. M.L.Dantwala (1937) made an attempt to study the marketing of raw cotton which covered the structure and organisation of the internal trade of the country. He was the one who believed that regulation of the markets was an important step in the improvement of agricultural marketing. He has further covered different aspects of cotton marketing keeping in view the interest of producer and consumer, and

also highlighted the various malpractices in cotton marketing and proved the causes and described remedies for them. Further, he concluded that there were several agricultural products whose marketing needs to be investigated and studied.

H.S. Gopal Rao's book on the "Regulated Markets and Agriculture Prices" made a survey of the markets. The study covered both the developed and developing areas of the region. However, the study is confined only to one aspect i.e., price analysis.

Muthaiah and Subramanian have conducted a study to analyse the returns accrued to the farming community from regulated and unregulated markets, with specific reference to groundnut in Tamilnadu. According to it, "In the private markets, as compared to organised markets, the farmers were offered a lower price".


A study on 'Regulated Markets in Orissa' was conducted by the Department of Rural Economics, Sociology and Applied Economics of Utkal University (1973), in order to examine the working of regulated markets in Orissa. For this purpose two regulated markets dealing with two important cash crops viz., jute and coconut were selected. It showed that the farmers of nearby villages made use of the regulated markets and there is not much difference between the price offered by the retailers and the prevailing price in the regulated market.

B.D. Kulkarni (1977) studied the time-lag between the date of establishment and the date of functioning, regional coverage, tenure of office of the bodies of the market committees, vacancies in the market committee, attendance of meetings, acquisition of sites, development facilities in the yards, income and expenditure ratio, loans acquired from the Government etc. Further, the author has studied the problems from the point of view of the

35. Utkal University, Department of Rural Economics, Sociology and Applied Economics, Regulated Markets in Orissa, Bhuvaneswar; 1973.

producer-seller. Though the study covered several aspects like commodities, regulations, relative advantages of different systems of marketing, weighing procedure, grading facility, market charges, market intelligence, it appears that the author has concentrated mostly on the infrastructure created in the regulated markets rather than on its utility to the producer-seller.

Narasimham's (1982) study on 'Marketing of Groundnut' examined the price mechanism from terminal to primary markets. However, the role of village sales was not examined.

Goswami, H.G. (1982) examined the role of regulated markets in agricultural marketing as compared to that of the unregulated markets. It focussed on the extent to which regulated markets were helping the producer-seller in the marketing activity and examined the loopholes in the functioning of regulated markets.


In his paper titled 'Regulated Markets in Andhra Pradesh', D.B. Kadam (1963) observed that the trader had a big say in the affairs of the agricultural market committee and also that the nomination of grower-members to the market committees was done on political considerations.

Margaret Digly and R.M. Gretton (1965) in their research study, pointed out that though the condition of the poor farmer could be improved by way of raising the quality and quantity of the output, yet the farmer might not reap benefits owing to the exploitative practices of manufacturers and financiers and the wasteful marketing system.

Krishna Swamy (1970) attempted in his study an assessment of the marketing gains of the farmer as a result of market regulation. The study showed that the producer's


share in consumer's price had increased as a result of market regulation. However, it was found that transportation was adding to the total marketing cost.

G. Ram and B. Swarup (1974) studied the efficiency of a regulated fodder market and concluded that there was no difference between regulated and unregulated markets as far as marketing efficiency was concerned. G.N. Singh and A.R. Verma (1987) conducted a study on 'Economics of Production and Marketing of Groundnut' and they opined that efficient marketing would reduce the gap between producer's price and consumer's rupee. For this purpose, the need for strict enforcement of Market Regulation Act was emphasised.

The mere establishment of regulated markets may not solve the problem of agricultural marketing unless means are devised to ensure their operational efficiency. This is the theme of the research paper on the operational efficiency

------------------------------------------------------------------------

of regulated market by O.R.Krishna Swami, and N.I. Chand (1978). An attempt was made to qualify the operational efficiency of the regulated market in tune with their objectives. Here different aspects were studied by giving weight to each of the items. This type of model may be useful in studying the efficiency of regulated markets. This model is replicated by K.Usha, et.al.,(1983) in their study.

The research article by S.S.Acharya and N.L.Agarwal (1979) was based on the financial feasibility of the market committees and benefit-cost-analysis from the view point of farmers. This exercise was done with the help of recorded information. The author was of the opinion that infrastructural facilities could form as an index of benefits accruing to the farmers. The author's conclusions in this study:


regard may not reflect the reality, because mere increase in the incomes of the Agricultural Market Committees and the facilities provided in the Regulated Markets may not be considered as progress.

47 Shankaraiah, A., et.al., (1982) brought to light several lapses obtaining in agricultural market committees. Though the farmers are aware of the existence of a market committee, they do not have any idea of its composition.

48 A.S.Reddy and P.Ramaiah (1982) through their study pointed out that the regulated markets were not accessible to tribals and as such the utilisation of the same was not satisfactory. They observed that those nearer to the market centres and having good transport facilities were making use of the markets. Besides, it was found that there are variations in the prices of products sold through the regulated markets vis-a-vis village markets.


V.T. Raju and B.H. Kakadia (1984) in their research paper made an attempt to study the marketing pattern in Rajkot District. The authors found that the regulated markets were found to be important marketing channels. Further, the study revealed that the market costs in regulated markets were low compared with cooperative services. The correlation coefficient between monthly price and arrivals revealed an inverse relationship.

M.V. George in his Rapporteur's report commented on Impact of Market Regulation on Marketing Charges, Marketing Practices and on the Prices Received by the Farmers arrived at diverse conclusions depending on the commodity and the area of study. This clearly exhibits the need for region and commodity specific studies.


C.G. Venkata Reddy, et al., (1986) has examined the marketing practices in the regulated markets of Andhra Pradesh and found that the marketing costs were low where commission agents were not operating.

R.R. Dhosi in his research paper titled "Market Regulation - A Lost Game" made an attempt to study the effect of regulated agricultural markets. For this purpose, agricultural produce markets committee of Nipani (Karnataka State) was selected. The study clearly indicates that even in the regulated markets certain things are not rationalised and so they never have sailing in their functioning. In studying the problem, the author examined the problems from the context of several commodities and also his study reviewed several Government Legislations. Further, in the light of the findings, the author failed to suggest ways and means of improving the functioning of regulated market system.


in agricultural marketing. The authors found that the regulated market is not preferred by most of the farmers for their disposal and also stated that the main reason for the farmer's willingness to sell through regulated market is price incentive.

Marketing costs and margin in the marketing of Gur in district Muzaffar Nagar were attempted by B.S.Rohal, et.al (1990), and found that malpractices and exploitation still continued even after regulation.


D.C. Sah and K. Hanumantha Rao (1979) studied the impact of regulated markets by taking price spread as a measure of efficiency. Further studied how the regulated markets were connected with the terminal markets with a view to analysing the variations in prices in different types of markets. The marketing channels and the shares of different intermediaries are worked out. Most of the price spread studies referred to have taken the price data on average basis at secondary market level. Even if the price level is increased, it cannot ascertain increase in the take home incomes of the farmers, unless it is studied at the farmer level.

In 1962, Gupta studied year to year variations in harvest and wholesale prices of wheat during 1952-1965


period in Madhya Pradesh. The trend in harvest prices is found to be increasing while that in wholesale price is uneven. Reserve Bank of India in a study conducted to know seasonal variations and secular trend of wholesale prices for the period 1951-52 to 1964-65, observed that there were regular cycles of length varying between 16 and 24 months.

In 1969, the National Council of Applied Economics Research examined the responsiveness of market arrivals to price changes in India. In this study, double log linear equation is used to estimate the price elasticities of market arrivals. The empirical results showed that in all the 13 States, the price elasticity of market arrivals was turned out to be negative. However, it is noted that the variations in the prices explained little fluctuations in the market arrivals during the period under study.


Thamarajakshi, found that the percentage of price rise of agricultural products was faster than that of the percentage price rise of non-agricultural products. This is a clear demonstration of the favourable effect of farm policy on prices.

Narasimha Murthy, G., (1986) examined the price behaviour of selected commodities in Warangal Market during 1972 and 1982. His analysis of inter-market price differentials revealed that, by and large, prices were spatially integrated as price differentials in many cases are within the limits of transportation cost. Inter-temporal price variations revealed that price changes within the marketing year broadly confirms was due to the cost of storage. His study also revealed that farmers were not satisfied with the prices offered in the market, as they were not remunerative. Among the reasons for low price, price rigging by traders is found to be a significant one.


In 1989, Tushar Kanti Mitra studied the growth and instability of agricultural prices in West Bengal. He concluded that disparities in the movement of agricultural prices from one region to another indicate heterogeneity and possible lack of full mobility in the economy. It also indicated the pitfalls in arriving at any general conclusion on the basis of averages alone. Wide variations in prices over-time as well as over-space led to many of the stresses and strains in the economy. He concluded that instability in agricultural prices in different districts of West Bengal was measured on a realistic basis.

In his article on "Some aspects of Agricultural Marketing and Pricing Policies in India", Sidhu (1990), explained the measures taken by Government in regard to development of marketing infrastructure in the form of regulated markets. Procurement centres, grading and standardisation, storage and processing facilities to cope with the requirements to handle rapidly growing market


32
surpluses and rising demand for modern farm inputs. However, according to him, much more needs to be done to meet the emerging requirements. He also explained that agricultural prices, particularly foodgrain prices have far reaching implications for the entire economy. Therefore, special emphasis should be placed on formulating agricultural output and input pricing policies which can best subserve different goals particularly that of growth with equity and stability. He concluded that the role of the private trade in the marketing process must be understood and attention should be paid to the development of entrepreneurship.

Umashankar Patnaik and Anbumohi (1991) examined the price behaviour of Indian agricultural commodities. In the study, the authors made an attempt to calculate the elasticity of market arrivals to the changes in prices so as to know the degree of responsiveness of market arrivals to the changes in the prices. The study is confined to the three important major agricultural committees selected for a single agricultural regulated market covering a period of five years.

Raji Reddy (1991) examined the marketing of chillies in Andhra Pradesh with special reference to the selected chillies producing districts in Andhra Pradesh viz., Guntur, Warangal and Anantapur. He examined the cultivation and marketing practices of chillies at all India level as well as Andhra Pradesh State level. He also analysed the behaviour of chillies prices in the selected markets in order to examine whether fair prices were offered to producer-sellers of chillies. The study found that, by and large, the prices prevailing in regulated markets were able to influence chillies prices at village level. Regarding the sources of price information of traders, it is revealed that their main source is agents in other markets. The other sources include, fellow traders, traders' association, chamber of commerce, market committee, news papers, radio etc.

Indrasena Reddy (1992) made a study on economic and managerial aspects of vegetable marketing in Andhra Pradesh with special reference to selected vegetables. He


also examined the price settlement methods, price arrival relationships, seasonal price variations, fairness of prices etc., in order to understand structure and behaviour of prices in vegetable markets. Further, he analysed the price spread of selected vegetables in selected markets with a view to understanding the costs and margins of farmer-sellers and other intermediaries in vegetable marketing. The study of seasonal variations in prices revealed that there were significant variations of prices of vegetables in different seasons. The analysis of price arrival relationships revealed that there is significant inverse relationship between arrivals and prices of selected vegetables.

Bagavaraju (1993) examined the behaviour of prices and market arrivals of major crops in Bijapur. The prices and market arrivals of major crops in Bijapur showed an upward trend during the period under consideration. Seasonal character is more pronounced in the case of arrivals in the case of prices. The higher prices were observed during the months in which market arrivals were lower and vice-versa. The short-run prices and arrivals showed an

inverse relationship. Seasonal pattern of market arrivals regulated in short-run price instability. This could be eliminated by providing the provisions of finance and storage facilities to these farmers who were unable to streamline their supply in accordance with the seasonal price variations. This would help the farmers to take advantage of short-run price movement and improve their returns considerably.

In 1993, Patel and Agarwal also examined the price behaviour of groundnut in Gujarat. The inter-year price variations for groundnut crop revealed that during the last one and a half decades, price increased by more than 10 per cent per annum in the different markets of the Gujarat State. Prices of the crops also exhibited conspicuous seasonality during the study period. The study focussed the need to minimise the price rise for this commodity. This can be done by adopting measures of increasing their production through use of modern technology as well as by adoption of different price instruments to regulate their prices. There is also need to have a check on the tendency of the farmers.

of brisk sale in the immediate post-harvest months by enhancing storage and credit facilities together with the proper education and by better price information system.

81
T.V. Raju (1993) made a study on arrivals and prices of jaggery in Anakapalli market and observed that there was strong inverse relationship between market arrivals and prices. This was because of the absence of storage and credit facilities with the farmers.

82
In 1994, Sangoju Manohara Chary (1994) studied market arrivals and prices of agricultural products. The study revealed that the extent of fluctuations in market arrivals largely contribute to the price instability of major crops. It was felt that there was need to have a perfect understanding about the behaviour of prices of different agricultural products and the responsiveness of market


arrivals to price movements over a period of time. The findings of empirical studies based on time series data vary from region to region and from crop to crop in Karimnagar district of Telangana region in the state of Andhra Pradesh.

G.N. Patel and R.L. Shigani (1994) examined the growth rates of farm harvest prices and gross income from important foodgrain crops in Gujarat State, the variability in the gross income and contribution of price and productivity in the incremental gross income.

Indrasena Reddy, (1995) noticed that the price indices of selected agricultural commodities in Andhra Pradesh revealed that the prices of these commodities were showing a rising tendency. In his study, high rate of price increase (98.27 per cent) is observed for groundnut and low rate of increase (40.80 per cent) for paddy.


In the above studies, some valuable contributions can be found for the development of agricultural marketing. However, no study is carried out on the specific problem of Marketing of Tamarind. Hence, the present investigation of the topic, Marketing of Tamarind.

STATEMENT OF THE PROBLEM

The marketing of tamarind like that of any agricultural commodity is as important as production itself. Consumption of tamarind, provides health benefits to the human-beings. Perhaps, this could be the reason why marketing of tamarind finds place not only in big cities but also in rural areas of the country.

This relevance and importance of tamarind in day-to-day life has prompted this research for finding out marketing of tamarind and its prospects in the rural economy. The researcher with this view makes a selected study of the Marketing of Tamarind.

OBJECTIVES OF THE STUDY

The main objective of the study is to examine marketing of tamarind and its price behaviour. The specific objectives of the study are:
1. To study the marketing mechanism and spatial integration of weekly rural markets.

2. To examine the tamarind and its marketing.

3. To analyse the performance of tamarind marketing of sample markets.

4. To study the perception of tamarind growers and traders including the market functionaries.

5. To suggest remedial measures for improving marketing of tamarind.

METHODOLOGY

This study has covered a period of 10 years from 1987-88 to 1996-97.

The investigation seeks to make an indepth study on working of regulated markets in marketing of tamarind in Rayalaseema region. Tamarind, a predominant agricultural produce is widely marketed as a commercial product in regulated markets in Anantapur and Chittoor districts. The other two districts namely Cuddapah and Kurnool have neither tamarind regulation nor tamarind cultivation. So the focus is confined to the study of the problems and prospects of
marketing of tamarind only in Anantapur and Chittoor districts in Rayalaseema region.

PROFILE OF RAYALASEEMA REGION

Rayalaseema region consisting of Anantapur, Chittoor, Cuddapah and Kurnool districts has a population of 116.66 lakhs as per 1991 count forming 17.59 per cent of the State of Andhra Pradesh. The literacy is 38.35 per cent. Landholdings below 5 acres of dry land are accounted for 48.80 per cent which indicates much weaker section population. The land available and also cultivable but not used due to lack of farm infrastructure facilities is referred as fallow land which accounts for 15.52 per cent of geographical area and this contributes to a loss of one-sixth of the production.

The region receives rainfall which is scanty and erratic and ranks the second lowest rainfall receiving area in the country next to Jaisalmar in Rajasthan. The river sources are very few and so negligible. The Irrigation Commission (1972) has identified 37 of the total 42 taluks of Rayalaseema region as drought prone. The development of region's economy mostly depends upon the fortunes of small industry, subsidiary occupations and trading business.
SAMPLE DESIGN

For the purpose of selecting the growers, a multi-stage random sampling method was adopted. In the first stage, the agricultural market yards in Anantapur and Chittoor districts were selected. In each district, four agricultural market yards were selected. They were Hindupur, Rayadurg, Kadiri and Kalyandurg in Anantapur district; and Punganur, Palamaner, Madanapalli and Pileru in Chittoor district. In the second stage, eight villages in each district were selected. While selecting the villages, the factors like distance from the market, development of village, transportation and communication facilities etc., were taken into consideration. In the last stage, 15 farmers (5 small farmers, 5 medium farmers and 5 big farmers) from each selected villages were randomly selected. In all, 240 farmers spread over 16 villages under jurisdiction of 8 agricultural market yards in two districts were selected. While selecting the sample farmers, due weightage was given to the size of the land holdings, family strength, literacy, social status, cropping pattern etc. The selection of sample is shown in Table 1.1.
### TABLE 1.1

**SELECTION OF SAMPLE**

<table>
<thead>
<tr>
<th>District/Market yard</th>
<th>Village</th>
<th>Sample growers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ANANTAPUR DISTRICT:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hindupur</td>
<td>Choulur</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>Madakasira</td>
<td>15</td>
</tr>
<tr>
<td>Rayadurg</td>
<td>Gollapalli</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>Pyethota</td>
<td>15</td>
</tr>
<tr>
<td>Kadi'ri</td>
<td>Kutagulla</td>
<td>15</td>
</tr>
<tr>
<td>Kalyandurg</td>
<td>Balijapalli</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>Bandameedapalli</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>Kundurpi</td>
<td>15</td>
</tr>
<tr>
<td><strong>CHITTOOR DISTRICT:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Punganur</td>
<td>Laddigam</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>Choudepalli</td>
<td>15</td>
</tr>
<tr>
<td>Palamaner</td>
<td>Byreddypalli</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>Mogali</td>
<td>15</td>
</tr>
<tr>
<td>Madanapalli</td>
<td>Kurabalakota</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>Chembakur</td>
<td>15</td>
</tr>
<tr>
<td>Piler</td>
<td>Chettareddypalli</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>Kallur</td>
<td>15</td>
</tr>
</tbody>
</table>

Total | 8   | 16  | 240 |

43
For the purpose of selecting the traders and commission agents, a list of traders and commission agents participating in the sample agricultural market yards in Anantapur and Chittoor districts was prepared with the help of market officials. From this list, 20 respondents were selected from each district. Forty traders and commission agents were selected, five each from the revenue divisions of Hindupur, Rayadurg, Kadiri and Kalyandurg in Anantapur district; and Palamaneru, Punganur, Mandanapalle and Piler in Chittoor district.

DATA BASE

The data for the study was drawn both from primary and secondary sources based on empirical evidence.

Sources of Data

The study is based both on primary data and secondary data. The main sources of primary data include growers, traders, commission agents and market officials and other concerned with the marketing of tamarind.
Data Collection

The secondary data was compiled from the Annual Administrative Reports published by the Directorate of Marketing, Government of Andhra Pradesh and Annual Administrative Reports of Agricultural Market Committees of Anantapur and Chittoor districts. The information regarding selected markets was collected from their Annual Reports. The supplementary data was collected from the Statistical Abstracts, the reports published by the Ministry of Agriculture and Horticulture, Government of Andhra Pradesh and other sources.

A pre-tested schedule was administered to growers in eliciting their responses to tamarind marketing and related aspects. In the same manner, separate schedule was designed to collect information from traders and commission agents in the agricultural market yards in Anantapur and Chittoor districts. In addition, a schedule was prepared to gather the information from the concerned market officials. Besides the above, the personal interview method was adopted to make group discussions and observations therefrom for the study purpose.
Data Analysis and Presentation

For processing and analysis of data, apart from percentages and averages, statistical techniques like Trend Analysis, Seasonal Variation, Correlation and Index Numbers were studied. Further, appropriate scaling technique also used in quantifying the opinion of growers and traders in evaluating the performance of agricultural market yards in Anantapur and Chittoor districts.

LIMITATIONS OF THE STUDY

The study is mainly based on the data generated from primary sources. The validity of observations are subject to reliability of responses given by the sample households. The secondary data is taken from the market records. Therefore, the findings that are made in the study depend on reliability of data reported by market officials and households.

RATIONALE OF THE STUDY

The present study is more relevant to identifying the contributory factors of marketing of tamarind and the perception of tamarind growers and traders. A study like this covering both primary and secondary data with
appropriate suggestions would certainly contribute to the literature on the subject.

CHAPTERISATION

Keeping the objectives in view, the study is organised into six chapters.

The first chapter is introductory in nature. It deals with the objectives and methodology of the study. The second chapter presents the marketing mechanism. It also deals with various regulatory measures followed by the sample market-yards. The third chapter covers marketing of tamarind at the macro level.

The fourth chapter analyses the marketing of tamarind in selected regulated markets. Further, it examines the tamarind price behaviour and variation. The perception of tamarind growers and traders finds place in the fifth chapter. The summary of conclusions and suggestions is dealt with in the last chapter.