

Research  
Paper

## Market structure for vegetable markets in Karnataka-A case study of Raichur vegetable market

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### ABSTRACT

The structure of market is an important element determining the nature of competition and consequently market conduct and performance. Hence, the study was undertaken to evaluate the market structure for vegetables. The present study related to the marketing of vegetables in Raichur city. The study period pertains to agricultural production year 2009-10. The study revealed that average weekly turnover of five wholesalers varied from 81 quintal per week (6%) to 406 quintal per week (30%) indicating no dominance of any wholesalers. The Gini coefficient with value of 0.21 also indicated that the inequality in the distribution of market turnover was considerably lower. Stability ratio for wholesalers (0.60) and retailers (0.50) indicated that there was fair amount of entry and exit of the firms. Almost all producer-sellers and majority of the retailers (80 %) have graded their vegetables. However, the wholesalers who mainly acted as commission agents facilitated in sale of vegetables from producers to retailers didn't undertake grading of the vegetables.

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**Key words :** Producer-sellers, Wholesalers, Retailers, Average turnover

## INTRODUCTION

The importance of marketing in agriculture is very well illustrated by saying, "a good farmer has one eye on the plough and the other eye on the market". This is true when agriculture is mainly for subsistence and now, even Indian agriculture is becoming commercialized. In these days of commercial agriculture, it will be more appropriate to say, "a good farmer has only his hands on the plough but both eyes on the market".

In India agricultural production has increased considerably since independence. However, this increased production has not resulted into a proportional increase in the farm income mainly due to poor marketing system.

There is no country in the world which is able to balance the production against demand or regulate the agricultural income to the satisfaction of farmers. Evidently, India has solved the problem of production but not distribution. According to Amartya Sen, "famines and acute poverty too arise from faulty distribution and not for want of goods for distribution". Due to inefficient

marketing systems, consumer's prices do not reflect the producer's share. Market structure is an important factor that influences the performance and efficiency of a tactics and in great degree it leads or even decides the market conduct of the various actors in the market. In this regard there is a great need to investigate the nature and pattern of vegetable market structure.

## MATERIALS AND METHODS

The present study is related to the marketing of vegetables in Raichur city. The vegetable market in Raichur city is commonly called as 'Osmania vegetable market' which was established way back in 1928. It is a wholesale as well as retail market for vegetables in Raichur city. The market functionaries consisted of wholesalers cum commission agents (WCA) and retailers. There are five wholesalers cum commission agents and more than 120 retailers. The study period pertains to agricultural production year 2009-10. However, for eliciting the market data from different market functionaries, two