

# FOOD MARKETING

## Problems, Constraints & Solutions



### Introduction

Despite the structural changes being taken place in the economy since 1977 the agricultural sector still contributes about 20 percent to the Gross Domestic Production (GDP), 37 percent to the employment and 21 percent to the foreign exchange earnings. Nevertheless, growth rate in this sector remains very low level with an annual growth of 1.6 percent as against a 6 percent of overall economic growth during the decade of 1990. The situation in the domestic food production sector is worse recording a negative growth rate of 2.3 percent per annum during the period 1980 – 2000. One of the major reasons for poor performance of food production sector is ignorance of importance of marketing in development. Many do not understand that marketing is an input that stimulates production like irrigated water. In the context of open economy, marketing plays a key role in economic development and hence it is considered as an engine of the growth in the economic development today. As a result of neglecting marketing sub sector in the development agenda in connection to the food production sector marketing problems have been acute right now and they have become one of the major issues addressed in the political campaigns during the election periods. The objective of this paper is to address pressing marketing problems. The paper consists of three sections: (1) marketing problems, (2) marketing constraints and (3) solutions to the problems.

### Marketing Problems

Different market participants have different marketing problems. For example, farmers complain about low prices while consumers com-

plain about high prices at the same time. Further traders and processors complain about low quality of produce. In this section, major marketing problems cited by various market participants will be reviewed. Identification of a problem is a key to solve the problem. Today, many decisions are taken to solve problems without understanding of the problem. Many solutions link with results of the problem but not the roots of the problem. Setting up cold storage and processing factories to solve the over production is an example. The root of the

**L.P. Rupasena\***

problem is absence of production planning. The result of the problem is over production. If the problem is not addressed properly, some other problems would arise from the solution. In relation to the above example, problems are difficulties in selling of products either processed or stored in cold rooms and underutilization of factories due to lack of raw materials when the glut is over. The end result is closing down such factories / stores. Examples are vegetable cold stores set up under the MARD project at Piburattawa in Pollonnaruwa, the food-processing factory at Embilipitiya and the tomato-processing factory at Yodakandiya in Tissa.

Low market price for farm products is the problem always cited by the farmers. This problem has two aspects. One is that price received by the farmer does not cover the cost of production. This happened for chillies, onions and potatoes after liberalization of imports. Producer price potato dropped to Rs. 20/kg at the time when cost was Rs.25/kg; producer price of dried chillies came down to Rs. 45/kg when the cost was Rs.60/kg; and producer price of big onion was down to Rs.8/kg

whereas cost was Rs.10/kg. Other aspect of the low price is in relation to the input prices and non-farm commodity prices. When producer prices are analyzed relative price of food commodities have declined which means that both input and other commodity prices have increased at a higher rate than farm prices. Results of the analysis of relative price of paddy are given in Table 1. As shown in the table, the cost of labour per day was equivalent to a value of 11.19 kg of paddy in 1990 whereas the figure for 2000 went up to 28.18 kg meaning that cost of labour has increased at a higher rate than that of paddy. Similarly, price of one liter of kerosene oil was equivalent to a value of 1.07 kg of paddy in 1990 and it went up to 1.96 kg in 2000. This analysis reveals that farmers are paying more than what they are gaining. Finally farmers' well being is deteriorating over time causing a social unrest among the farming community. This has been a severe problem today because farmers' needs have increased within the context of open economy on the one hand and farmers' net return has declined on the other hand.

A variety of reasons attribute to low farm price. The major reason is over supply where buyers are not com-

**Table 1: Relative Price of Paddy and Rice**

Items	1990	1995	2000
Fertilizer (V) kg	1.33	1.55	1.95
Labour (man-day)	11.19	17.88	28.18
Sugar (kg)	4.13	4.50	3.83
Sunlight (Piece)	0.68	1.38	1.35
Kerosene Oil (liter)	1.07	1.56	1.96

\* Relative Price = Price of the commodity concerned / Price of paddy

\* Marketing Economist, Hector Kobbekaduwa Agrarian Research & Training Institute

**Table 2: Seasonal Price Index for Selected Food Items**

Month	Rice	Dried -	Potato	Green -	Vegetables	
	Nadu	Chillies		Gram	Beans	Brinjal
January	109	102	98	89	116	96
February	102	99	82	84	97	77
March	93	90	77	93	85	60
April	92	90	93	103	88	85
May	93	85	98	96	114	110
June	92	97	110	103	121	130
July	94	104	121	99	109	108
August	98	107	105	105	106	98
September	97	105	88	109	94	108
October	102	103	87	101	89	121
November	112	111	115	109	91	98
December	115	108	125	109	90	109
% Increases to the lowest	25	30	62	30	42	116

Source: MFPD/HARTI

peting each other in pricing and offering low prices. Farmers do not attempt to control the market supply through holding stocks, staggering harvesting and controlling cultivation by changing the crops. Similarly, government does not attempt to develop such areas by investing to educate farmers and to set up stores at farm level. In addition, competitiveness in the farm markets has been curtailed due to number of factors such as prevalence of few traders and absence of alternative marketing channels. There are some villagers where only few traders are involved in purchasing farm products because new traders do not visit due to absence of access roads or poor road conditions. Farmers in the Hambantota areas do not have alternative market outlets except selling in the fairs (polas). Even their, farmers cannot sell directly to traders because of brokers who take money from traders visiting fair in the morning and purchase produce from farmers at a low price and sell to traders at a higher price in the fair itself. It was observed that a broker purchased green chillies from a farmer at Rs. 18/kg at the Pannegamuwa fair and sold to a trader at Rs.35/kg on the same day at the same place. In case of input market, farmers have to pay higher prices for inputs such as seeds, fertilizer and agrochemicals due to oligopolistic market structure where supply is in the hand of few companies and they determine the price. In these circumstances, farmers are price takers in both input and output markets.

A sharp price fluctuation in food prices has been observed; prices drop drastically during the harvesting season and increase rapidly during the off-season. This can be analyzed using a seasonal price index, which is often calculated getting average of five-year monthly prices. The annual price is calculated adding monthly averages and divided by 12. The value for each month is worked out taking the annual price equal to hundred. Table 2 presents seasonal price indexes for selected commodities. Index values could be interpreted in two ways. One-way is examining deviation of monthly values from hundred which shows percentage change compared to the annual price. For example price of Nadu becomes lowest in April and June with the lowest index value of 92, which means a 8 percent below the annual price while the highest price reported in December with the highest index value of 115, which means a 15 percent increase against the annual

price. Other way is comparison of the lowest price with the highest price in percentage form. In the same example, the figure is 25 percent meaning that price of Nadu increases by 25 percent in December compared to the lowest price reported in April and June. The high price fluctuation was observed for potato and vegetable. Price of brinjal is over 100 percent increase compared to the lowest price.

Market supply pattern could be identified through analyzing index values. If the values are below hundred this implies supply exceeds demand and vice-versa. Accordingly index value of price of Nadu remains below hundred during the period March to September in the year. March and April is the main harvesting period of Maha paddy crop and hence index values become the low. Since Maha season is the major season with 65 percent of the total production, its production is adequate to meet the demand till the Yala crop is harvested in August and September. Index values therefore do not go above hundred till October. After completion of Yala harvest prices commence increasing because millers purchase and hold bulk of the Yala paddy crop in stores in order to release in November – January period where prices often go up. Due to this, index values are increasing after September in the year. In case of vegetables index values are above hundred during the period of May to July or August with the highest value in July. A sharp price in-

**Table 3: Price Spread (Rs/Kg), 2001**

Month	Rice (Nadu)			Beans			Brinjal		
	R-P	W-P	R-W	R-P	W-P	R-W	R-P	W-P	R-W
January	7.18	4.90	2.28	20.97	3.64	17.33	30.39	6.74	23.65
February	7.15	4.76	2.39	29.63	15.18	14.45	30.66	6.03	24.63
March	9.97	6.81	3.16	22.56	9.30	13.26	24.59	5.60	18.99
April	10.46	6.44	4.02	24.03	7.36	16.67	30.95	5.96	24.99
May	9.61	4.92	4.69	24.14	9.35	14.79	34.00	7.86	26.14
June	8.74	3.76	4.98	22.15	5.35	16.80	34.41	7.23	27.18
July	6.99	3.24	3.75	27.26	14.30	12.96	32.55	5.22	27.33
August	7.37	4.56	2.80	27.17	11.21	15.96	31.90	6.76	25.14
September	9.77	5.61	4.16	23.50	3.91	19.59	33.86	9.83	24.03
October	8.63	4.68	3.95	23.09	4.93	18.16	32.97	9.08	23.89
November	7.94	5.87	2.07	27.85	8.25	19.40	33.31	6.80	26.51
December	9.73	6.61	3.12	31.57	9.35	22.22	29.59	6.19	23.40
Average	8.63	5.18	3.45	25.31	8.51	16.80	31.60	6.94	24.66

R = Retail Price, W= Wholesale Price, P=Producer Price

crease was observed in May compared to April. There is a scarcity of vegetable supply in May and June in the year. Vegetable prices are low February to March due to Dambulla vegetable season. Vegetable prices commence in declining after June due to supply coming from Hågurnakethe areas this trend often continue till October due to arrival of vegetables from Welimada and Bandarawela areas from August. Chilli prices remain low from March to June due to market arrivals from Maha season harvests. In the past, prices were low in September and October due to supply from Mahaweli H area which accounted for 30 percent of the total supply but chili cultivation drooped drastically due to importation of chillies at a low price.

High price spread between producer and consumer level is a problem cited by many including media personnel. This is evident in vegetable prices as shown in Table 3. Price difference between retail and producer is Rs.25/kg for beans and Rs.31/kg for brinjal on average. This is called marketing cost or distribution cost which is often higher than producer price. It was estimated that farmers' share of the consumer price is less than 50 percent for vegetables. This means that farmer get less than 50 cents from every rupee paid by the consumer. Many believe that wastage is the contributing factor for this situation due to the nature of perishability.

However, an analysis of marketing margins shows that major reason for high price spread for vegetables is retailers' margin, which remains above one-fourth of the consumer price as shown in Table 4. This is due to small-scale business. There are a large number of vegetable retailers in markets and they have specialized few vegetables as well. It was observed that the number of vegetable retailers is further increasing due high unemployment among the youth. Over 50 percent of the vegetable retailers are below 30 years old in many market places.

Entering into vegetable retailing is simple due to low working capital and easy access to marketplace. When the number of traders increases, daily turnover curtails. Hence retailers have to maintain high mark up, always over 50 percent of the buying price to cover daily expenditure of the family.

In addition to many retailers, there are different types of intermediaries involved in distribution of agricultural commodities that also affects the wide price gap for agricultural commodities. Unlike in industrial commodities, collectors are existence at farm level to collect produce from small-scale producers and sell to traders. In some instances, brokers exist to link producers with traders. Since either farmers or collectors do not distribute produce to retailers, wholesalers exist to undertake this activity. Another problem is lack of backward linkages among the market participants to inform the requirements in advance. Consequently price risk is high. Similarly, there is no market orientation among market participants. All these contributed wide price gap between producer and consumer levels.

High post-harvest losses are another marketing problem. Losses are two-fold; quantitative and qualitative. Quantitative losses were estimated 30 – 40 percent for fruit/vegetables, 15 percent for rice, 17 percent for pulses and 35 percent for onions. Figures are not available for qualitative losses referred to value losses due to quality deteriora-

tion. Traders reported that value losses are high due to supply of produces without cleaning and sorting by the farmers. Food losses occur mainly due to ignorance of post-production activities. As such handling, packing, storage and transporting remain at rudimentary level causing losses in distribution of foods to the end users. Absence of production planning in line with market demand is also attributed to post harvest losses. When there is oversupply in the market losses are high due to difficulties in selling and careless handling. Post harvest losses reduce the farm price and increase the consumer price.

Marketing infrastructure and marketing support services have not developed yet to establish an efficient food marketing system. Marketing infrastructure mainly consists of market places, farm roads and storage facilities while support services include mainly credit, information and transport. Agricultural markets, especially fairs lack basic facilities such as water, toilets, fence, electricity, parking and access roads. Similarly, many agricultural markets are poorly designed with two-three stories building along with huge structure and wrongly located without a proper pre-assessment. Hence, many markets have been "white-elephants". Examples are public markers located at Thotalanga, Maradana, and Delkanda in Colombo. Access roads are lacking in farming areas and main-

Table 4: Analysis of Marketing Margins, Sri Lanka, (Rs/100 kg)

Item	Beans		Cabbage		Tomato		Raddish	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%
Producer's price	3100.00	52.00	1550.00	44.30	3350.00	62.00	550.00	25.00
Transport to Dambulla	62.50	01.00	62.50	01.79	156.25	02.90	93.75	04.26
Commission	50.00	00.84	50.00	01.43	50.00	00.94	50.00	02.27
Parking	00.75	00.01	00.75	00.02	00.75	00.01	00.75	00.03
Meals	25.00	00.42	25.00	00.71	25.00	00.46	25.00	01.14
Margin (collector)	361.75	06.02	161.75	04.62	418.00	07.75	180.50	08.20
Retailer's buying price	3600.00	60.00	1850.00	52.90	4000.00	74.00	900.00	40.91
Transport to Bakamoona	20.00	00.33	20.00	00.57	50.00	00.93	30.00	01.36
Market levy	25.00	00.42	25.00	00.71	25.00	00.46	25.00	01.14
Loading/Unloading	20.00	00.33	20.00	00.57	50.00	00.93	30.00	01.36
Wastage	360.00	06.00	462.50	13.21	400.00	07.41	180.00	08.18
Meals	150.00	02.50	150.00	04.29	150.00	02.78	150.00	06.83
Margin (retailer)	1825.00	30.42	972.50	27.78	725.00	13.43	885.00	40.23
Consumer price	6000.00	100.00	3500.00	100.00	5400.00	100.00	2200.00	100.00

Source: Study of vegetable production and marketing, HARTI, 1998



tenance of existing farm roads are poor. Hence, transport cost is considerably high at farm level compared to wholesale and retail level. Further, traders are reluctant to visit areas where roads are bad, so that competition in the farm market is limited lowering farm price. Storage is essential for low perishable commodities such as grain and pulses to control market supply. Due to lack of storage facilities either at farm level or traders' level supply exceeds demand considerably at harvest time, which results in dropping market prices even below the cost of production and increasing prices during the off-seasons.

As regard to support services, there is no efficient and effective market information system to gain access to information to the stakeholders in the food marketing system. Farmers need price and production information to decide what to grow, when to plant, where to sell and what price. Traders need information for pricing, purchasing and stock piling. Consumers need information to decide what to buy, from whom to buy and what price. Government requires information for formulating food marketing and trading policies. In case of credit, although accessibility of credit to the farmers has increased considerably during the past two decades, many farmers still depends on traders in borrowing money mainly because many lending institutions do not provide credit to those who have become defaulters once. Today, many farmers become defaulters due to the reasons beyond their controls such as ad hoc

imports, drought and damage made by wild animals. Traders often provide credit to defaulters and allow to pay due loans when the next crop is harvested without any interest. Traders provide interest free loans as well. As regard food transport, much of the vegetable is damaged in improper transportation. There is no special truck to transport perishable products such as vegetables. Over loaded in trucks is common. Transporters are not organized. No air and sea transportation is used for food transportation. Land transportation is limited to trucks. Hence distribution time is long and quantity and quality losses are high due to keeping vegetables in long hours in trucks.

It is always criticized about lack of consistence government policy on agriculture in general and marketing in particular. During last two decades government adopted reactive approach rather than proactive approach. When the food prices are high government decides to import foods at cheaper price by reducing or removing import duty. In most cases, imports reach the market at the time of harvest. It is also true that government decides to import certain food items such as rice and dried chillies despite the adequate supply in the country due to absent of commercial stock assessment system. Government trader policy appears to be biased towards the consumers and hence price of imported rice, potatoes, big onion and dried chillies has reduced even below the cost of production. The present government once again is going to introduce high tariff for rice chillies, onion and potatoes since June as indicated in the budget proposals for 2002. In

the presence of ad hoc policies production and marketing risk is high which results in absence of long term investment for the sector development.

### Marketing constrains

In this section limitations affecting in establishing an efficient and effective food marketing system is discussed. An understanding of the limitations/constrains is essential for selecting appropriate solution/s to the identified problem. In most cases solutions are suggested and implemented without proper understanding of constraints. For example use of plastic crates to reduce the post harvest losses could be presented. This solution does not workable due to handling of products several times in marketing chain; product move from farmers to collector, from collector to main wholesaler, from main wholesaler to sub wholesaler and sub wholesaler to retailer. Another reason to fail usage of plastic crates is involvement of a number of intermediaries who have different interest. Transporters want to load maximum amount possible in a truck to increase revenue and market labourers take two bags on head in loading and unloading when charges are made on bag basis, which is common in Sri Lanka. Hence transporters and market labourers do not like to use crates. Even wholesalers in public markets do not like them due to limited space in market stalls. This is only an example and there are lots where failures occur due to lack of understanding of the constraints prevailing in the system. One must understand that theoretical explanation and practical situation are too different things.

*Small-scale production* - Food production takes place on a small scale with many plots less than one acre. Farm size is further declining due to land fragmentation. Small farm size creates a number of problems in developing commercial farming system: high cost of production due to lack of economic of scale, low prices due to price takers in the market, inability to develop vertical and horizontal

integration and difficulties in application of modern post-harvest techniques such as plastic crates. In addition, social unrest has been created due to inadequate of income to meet the family requirements, which is increasing over time in the open economy.

**Production oriented farming system** – Though economic transformations taken place towards market economy after 1977, agricultural sector has not undergone structural changes towards agricultural commercialization. Sri Lanka has not been able to transfer agriculture into agribusiness yet. Farmers cultivate convenience crops, look for market after harvest and depend on government for marketing. In these circumstances farmers are risk aversion. Also agricultural markets are spot markets where gluts and scarcity are common due to absence of backward linkages from traders to farmers instead of forward linkages from farmers to traders. In the spot market farmers are often losers and traders are often gainers.

**Involvement of a large number of intermediaries** – There are a large number of traders who are involved in food marketing. Collectors purchase farm products from farmers at village level and sell them to traders who come and purchase. These traders are town wholesalers who sell to the retailers in the town. In some locations, there are brokers who link farmers with outside traders. In addition to traders there are people who carry out support services such as transporting, loading and unloading. In case of industrial products manufactures themselves or through agents distribute to the retail points. Due to involvement of large number of people, marketing cost is high which results in low farm price and high consumer price. Wastage is also high due to long distribution chain. Similarly, almost all intermediaries are sales oriented instead of market oriented. As such long term investments are lacking, meaning that no market innovations take place.

**Production oriented extension system** – The present extension system aims at improving land productivity, which is called "land based extension system". In this system farmers educate to get maximum possible yields from a given land. No attention is paid to maximize the return through reduction of cost or obtaining maximum price possible. This is applicable when demand exceeds supply as in the period 1970–1977. In this situation producer is the key person in the marketing system. After 1977 the situation has been changed with the import liberalization. Food supply has been increased through imports and domestic production has to be competed with imports. Consumers play a major role instead of producers. As such market determines what to produce, how much to produce and what price.

**Lack of information** – Department of Census and Statistics is the main responsible agency for collection and compilation of agricultural data. However, it still collects data on extent under cultivation and production on seasonal basis not monthly. Hence, data is available for public after production. Hector Kobbekaduwa Agrarian Research and Training Institute (HARTI) is the government agency involved in collection and dissemination of market information. The Market Information System (MIS) was set up in HARTI in 1979 with the technical assistance from USAID. MIS further strengthened with the assistance from UNDP/FAO from 1994 – 1997. Nevertheless, data collection is limited to prices. There is no system for commercial stock assessment or crop monitoring. Therefore government has to take ad hoc policy decisions on food imports when prices are high. In most cases, imports reach the market at the time of harvesting crops.

**Inadequacy of the private sector participation** - It was observed that private sector involvement in agriculture is mainly limited to the low risk areas with quick returns such as food imports, wholesaling and retailing. As regard to retailing, there are too many retailers wherein return is inadequate to invest for further improvement of the system. Investments in agro-processing, storage,

transportation, packing, are hardly seen. The major reason for low private sector participation is high risk due to uncertainty of the government policy. The best example is collapsing of the paddy milling industry due to ad hoc imports. For example government announced at the harvest time in February 1999 that rice imports would be banded that year. Consequently, millers purchased and stocked paddy. Prices went up due to high competition among millers. However government reduced the duty and made imports at cheaper price at the latter part of the year despite the high stocks with millers due to bumper harvests.

**Low government investment** - After 1977 with the introduction of open economic policy, the government policy was export led industrial growth. This is evident in 1990s. Hence agriculture was neglected, Government investment in agriculture declined from 18 percent of total investment in 1989 to 10 percent in 1999. Further investment in domestic food production sector dropped, to Rs.4,479 ml in 1999 from Rs.5,719 ml in 1989 recording a 22 percent decline within a decade. Due to low government investment, infrastructure and support services in agriculture were weak that affects the development of food marketing sub sector.

#### Solutions for food marketing problems

Proper problem identification is needed to make suggestions to solve the problem. Above two sections has devoted to identify problems and constrains in the food marketing sector. In this section, solutions to the food marketing problems will be discussed. In preparation of implementation programs to act solutions, it is required to consult the stakeholders such as farmers, traders, processors, transporters, and market labourers who are well aware of operation of food marketing system. Involvement in project beneficiaries at the time of project design is hardly seen in this country.

**Development of market driven production system**—There could not be a good marketing system without a good production system. Market research is required to identify commodities that can be marketed domestically and internationally and the quantity required to meet the market demand. Farmers should be allocated resources after selection of crops. Suitable locations for each crop should be identified and assistance such as quality seeds and technical know-how should be provided to targeted farmers.

**Establishment of strong market structure**—Reduction of middlemen through farmer grouping is required. Also vertical integration such as production, storage, transporting and selling and horizontal integration such as processing is essential. Further education of market participants on marketing orientation is prerequisite for strong market structure. Accordingly, application of modern business techniques such as increase profit through cost minimization, market expansion through customer satisfaction, establishment of backward linkages with market participants and production of quality product at a low price is feasible in food marketing sector. Product differentiation is also needed to establish strong market structure. It can be done by the origin of the product (location) such as Tissa Kakulu, size such as small, medium and large and colour such as green beans. Making heterogeneous of the product has an advantage in obtaining higher price through catering specific customers.

**Development of food marketing infrastructure and support services**—Rather than spending money on direct purchasing it is worthwhile to invest money in this area. Indian government has identified the need to develop farm roads to enhance market competition at farm level by bringing more and more traders to the villages. In construction of markets it is required to consult market users at the designing stage. Strengthening of farm level storage for non-perishable products such as grains and pulses is needed to control the price decline. It is obvious that farmers sell their produce

soon after the harvest due to meet immediate cash requirements. Hence introduction of storage credit system is useful. It is low risk compared to cultivation loans because production is visibly available. In some African countries, private personnel have stores to store farm produce. After storing, farmers are given receipts that can be used to obtain credit from the bank. Banks often provide credit up to the half of the value of the product at current market price.

As regard to support services, there should be a strong data base to take policy decisions. In this regard, crop monitoring surveys and commercial stock assessments surveys require to be undertaken, as do many other countries such as India, Philippines and Malaysia. As regard to stock assessment the stockholders are bound to provide accurate information to the Ministry of Agriculture every fortnight in some countries. If the information is incorrect, business licence is cancelled. In connection with extension, marketing extension system needs to be set up and added it to the present extension system to advise farmers on what to grow, when to plant, how to sell, when to sell, where to sell and what price. Similarly, information should be made available to traders to take decisions on purchasing, pricing and stock filing. To speed up data dissemination modern communication techniques such as E-mail and web-site should be used. In addition to information system, marketing intelligence service is needed to set up to advise to stakeholders.

**Use of market driven treatments for post harvest loss prevention**—Most post-harvest loss prevention methods are not market driven. They are very expensive and consumers cannot afford them. Similarly country like Sri Lanka where meals consists of rice and curries, do not need high quality products. In preparations of curries, vegetables are cut into small pieces and applied condiments such as chillie powder, and turmeric and cooked. In this process, the original colour and the size disappear. Also in developing post-harvest techniques, consumer taste is important. For example recently introduced a new variety of snakegourd, which is short in length enabling easy handling and with

hard surface skin in order to keep longer shelf-life but it cannot be marketed due to different consumer preference compared to the long length varieties. Training on post harvest management is needed because one of the major reasons for post harvest losses is improper harvesting and poor handling/packing.

**Increase market demand for local foods**—Demand for fresh products and healthy foods are increasing in the world market. There should be a programme for the development of a positive image for farm products locally produced. Nutritional values of the farm products should be highlighted. Expansion of demand for food items is required in a country like Sri Lanka where market is small and export potential is limited.

**Preparation of agricultural development policy document/action plan**—Application of the system approach, which includes input supply, production and marketing lacks in preparation of agricultural development programmes. Though these items are interrelated programmes are prepared and implemented separately. Marketing is often ignored. In fact it should be the starting point in planning process because anything does not last unless it is market driven. Role of Government in agriculture should be focussed on investment, information, institutions, innovations and incentives. Continuous monitoring of each and every activity in the action plan is required and the plan should be flexible to accommodate the necessary changes.

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