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Market Dynamics and Efficiency of Urban Vegetable Marketing in Srinagar: An Empirical Assessment

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Abstract: ***This study evaluates the structure, functioning, and efficiency of vegetable marketing systems in the Narkara urban vegetable cluster of Srinagar city. It explores the marketing channels, price spreads, and farmers' share in the consumer rupee, highlighting inefficiencies caused by intermediaries and infrastructural bottlenecks. Using primary data from 60 farmers and 20 market functionaries, alongside Acharya's marketing efficiency formula, the study identifies constraints and proposes policy reforms for a more inclusive and efficient marketing ecosystem.***
Keywords: Urban marketing, Price spread, Marketing efficiency, Srinagar, Vegetable trade, Intermediaries

I. INTRODUCTION

Urban vegetable markets play a critical role in connecting peri-urban producers to urban consumers. However, the marketing process is often plagued by inefficiencies, high margins for intermediaries, and weak infrastructure. In Kashmir, where agriculture forms a significant part of rural livelihoods, market inefficiencies directly affect farmer incomes and urban food access.
This paper assesses the marketing dynamics of the Narkara vegetable cluster, a significant supplier to Srinagar's urban demand. It aims to measure marketing efficiency, identify challenges, and propose actionable policy recommendations.

II. STUDY AREA AND METHODOLOGY

A. Study Area

2Narkara cluster in Budgam district is located 7–9 km from Srinagar city and is renowned for intensive vegetable farming, contributing significantly to the city's fresh produce supply.

B. Sampling and Respondents

- Farmers: 60 vegetable growers selected from Qazipora, Bunpora, Badamohalla, and Baghandar
- Market Functionaries: 10 commission agents and 10 wholesalers from Iqbal Sabzi Mandi and Parimpora Mandi

C. Data Collection

Structured surveys captured data on production volumes, prices, marketing costs, sale practices, and constraints. Secondary data was sourced from the Department of Horticulture and Agricultural Marketing, J&K.

D. Analytical Tools

- Descriptive Statistics: Frequencies, percentages
- Marketing Efficiency: Acharya and Agarwal's formula:

(ME =) Where:

- NPF = Net Price Received by Farmers
- MC = Marketing Cost
- MM = Marketing Margin
- ML = Marketing Losses

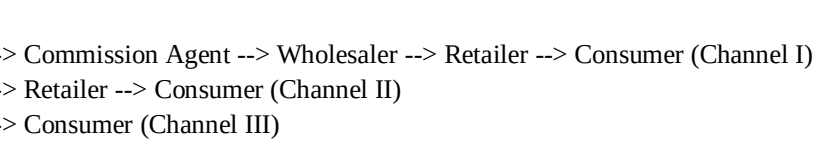
III. MARKETING CHANNELS AND PATTERNS

Three primary channels were identified:
Channel I: Farmer → Commission Agent → Wholesaler → Retailer → Consumer
Channel II: Farmer → Retailer → Consumer
Channel III: Farmer → Consumer (Direct Sale)

Table 1: Share of Respondents by Channel Used

Channel	No. of Farmers	Percentage
I	38	63.3%
II	16	26.7%
III	6	10.0%

Figure 1: Flowchart of Vegetable Marketing Channels



IV. PRICE SPREAD AND MARKETING EFFICIENCY

The price spread analysis for cabbage (one of the main crops) is presented below:

Table 2: Price Spread and Efficiency for Cabbage (per 100 kg)

Component	Channel I (INR)	Channel II (INR)	Channel III (INR)
Farmer's Sale Price	600	800	1000
Marketing Cost (MC)	100	60	20
Marketing Margin (MM)	200	100	0
Losses (ML)	20	10	0
Consumer Price	920	970	1000
Efficiency (ME)	0.60	0.72	1.00

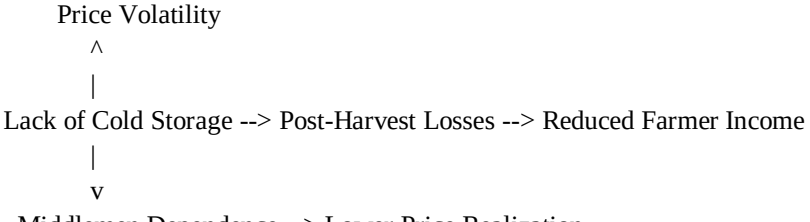
Chart 1: Farmer Share in Consumer Price
Channel I: 65.2%
Channel II: 82.5%
Channel III: 100%

V. CONSTRAINTS IN VEGETABLE MARKETING

Figure 2: Major Constraints Faced by Farmers (% of respondents)

- Lack of cold storage: 78%
- Market intermediaries' dominance: 70%
- Unstable prices: 65%
- Transportation issues: 52%
- Lack of credit: 40%

Diagram 1: Constraint Interaction Model



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VI. DISCUSSION

Marketing efficiency is inversely proportional to the number of intermediaries. Direct marketing (Channel III) offers full price realization but has limited reach due to logistical constraints. Most farmers rely on Channel I due to established networks, even though it offers lower returns.

The dominance of intermediaries leads to price asymmetry, where consumer prices rise while farmer prices stagnate. Marketing losses are also substantial due to the perishable nature of produce and lack of infrastructure.

VII. RECOMMENDATIONS

- Develop Aggregation Centers: At cluster level to enable bulk selling and reduce transport costs.
- Promote Direct Marketing Models: Farmers' markets, e-trading platforms.
- Infrastructure Investment: Cold chains, warehouses, grading and sorting units.
- Financial Support: Affordable credit schemes and crop insurance tailored to urban farmers.
- Market Intelligence: Disseminate daily market rates via mobile apps/SMS.

VIII. CONCLUSION

The urban vegetable marketing system in Srinagar, while vibrant, suffers from inefficiencies that erode farmer profits. Strengthening direct market access and investing in infrastructure are key to enhancing marketing efficiency and farmer welfare. Policy focus on integrating urban agriculture into mainstream economic planning is urgently needed.

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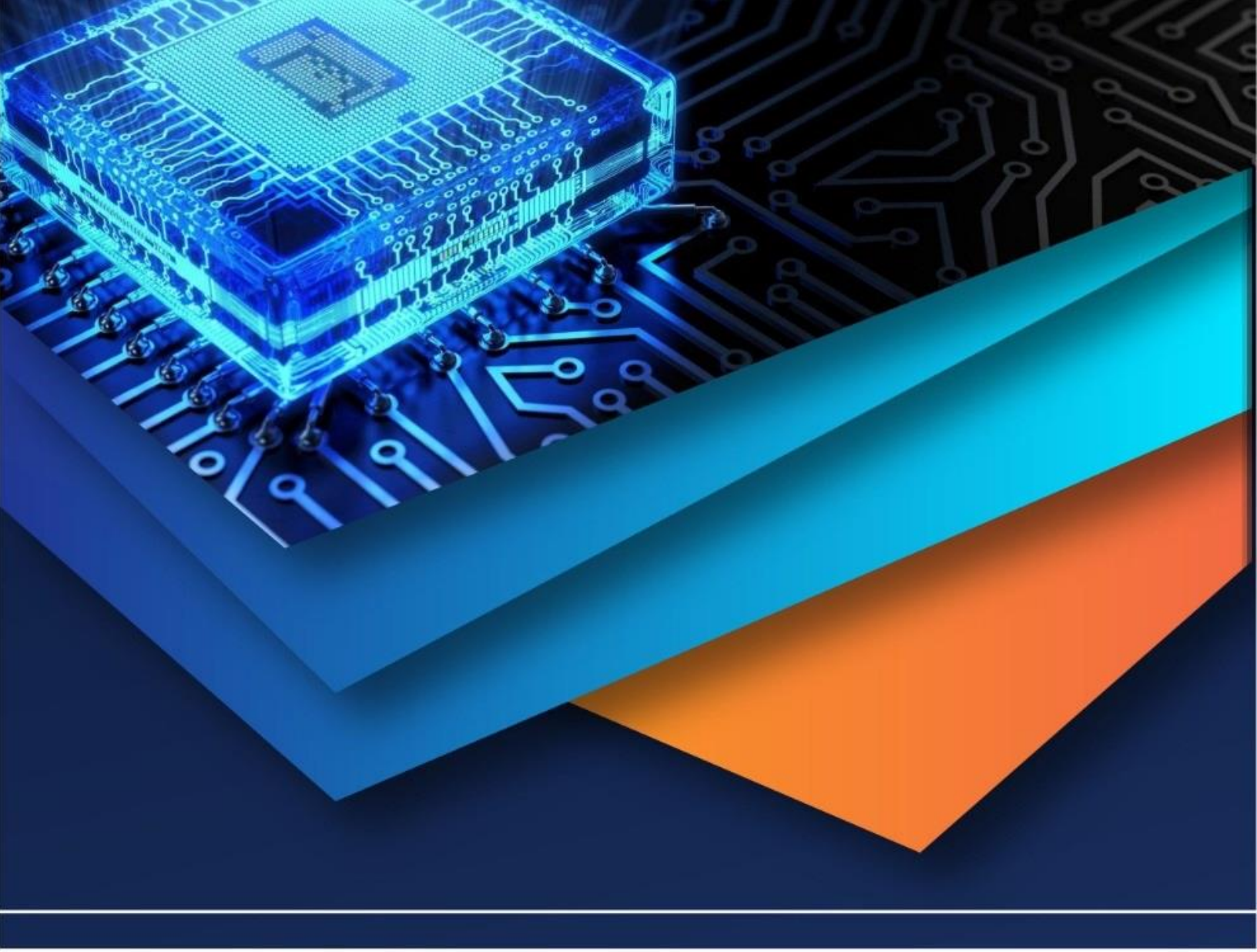

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