PERIODIC RURAL MARKETS IN THE KURUNEGALA DISTRICT

S. M. P. SENANAYAKE

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Agrarian Research and Training Institute
Colombo, Sri Lanka

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F O R E W O R D

In early 1979, the Ministry of Plan Implementation requested the Agrarian Research and Training Institute to undertake a study of the periodic rural markets which are popularly known as polas in this country. The study was required as an input for a Regional Rural Marketing Centre Development Programme sponsored by the Food and Agricultural Organisation of the United Nations and the German Foundation for International Development. The Institute agreed to carry out the study as it felt that the rural markets, although formed an important link in the agricultural marketing system in Sri Lanka had not received sufficient attention either from the policy makers or from the research community.

To a large majority of rural population pola is the sole market outlet. Therefore, the income of the small scale rural producers depend to a great extent upon the prices that prevail in the rural market for their produce. Similarly, the quantity of goods that they could purchase for their use again depend on the prices that they have to pay for those goods at the rural market. Thus, the rural markets influence the level of living of the rural population and therefore their improvements could be beneficial to the small farmers both as producers as well as consumers.

The survey was limited to the Kurunegala District at the request of the contracting agency. Although, this district does not represent all the characteristics of the other areas it is felt that the findings of this survey could be applied to understand the small farmers problems in those areas as well. It has to be kept in mind, however, that rural markets are just one form of many marketing systems and practices prevalent in this country.

This report was presented to the National Seminar on Rural Market Centre Development held in Colombo in January, 1980. I am happy to say that it was well received and formed the basis for formulation of a national development plan for rural periodic markets.

Mr S.M.P Senanayake, Research & Training Officer, was responsible for this study and the preparation of the report. I wish to record my appreciation of the efforts made by him and of the others who made this publication possible.

T B SUBASINGHE
DIRECTOR
ARTI

A C K N O W L E D G E M E N T

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Miss. Anne Fernando and Miss. Punyakanthi Perera did all typing work and their assistance is gratefully acknowledged. Finally, I wish to thank the Director of the Institute Mr.T.B.Subasinghe for the encouragement given throughout this study.

However, any of the errors that may still remain in this work is the author's responsibility.

Author.

ARTI.

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INTRODUCTION

PERIODIC RURAL MARKETS IN THE NATIONAL CONTEXT

A periodic market, is a place where farmers, traders, and consumers gather in order to sell or buy merchandise. Usually, these markets are held once a week, or twice a week. When such a market is developed into a place where transactions take place daily, it becomes a regular public market, and hence ceases to be a periodic market. Periodic rural markets are commonly known as fairs (polas) in Sri Lanka. Although many fairs have been established in metropolitan areas during the recent past, most of the periodic markets are located in rural areas. Through these rural periodic markets, farmers sell their surplus production and in turn buy their daily necessities. Thus, for many farmers, who have very limited quantities to sell, and who cultivate commodities for which there are no institutional marketing outlets etc., a rural periodic market is one of the most important first-hand marketing outlets.

In these fairs, some farmers(or their wives) sell their excess supplies direct to the consumers, thus by-passing all middlemen. Some others in addition to their own commodities would buy from his/her neighbouring farmers, in order to sell at the rural fair. In both these cases the quantities involved are small; usually less than 1 cwt. However, the larger farmers, and collectors at village level rarely sell their produce directly to the consumers at the fair. They bring the produce to the fair and sell them to buyers for re-selling at the same fair or at the near by service-town shops. There are some other buyers, (usually wholesalers) who take the purchased produce to other rural markets or Urban centres in-order to sell on retail or on wholesale basis. In this way sometimes there is a cross-flow of commodities among rural markets and also with other areas.

In the past very little attention had been focussed on the role of these rural markets as an alternative first hand marketing outlet for smaller farmers' produce or as a source through which their daily consumption needs are met. They have not been still thought of as potentially

important places of disseminating new ideas and distribution of farm inputs and implements. A few years ago, however, a national daily, (The Ceylon Daily News) editionally commented on the need for utilising rural markets for sale of implements produced by various District Development Councils. But this was not pursued further.

In placing rural markets in their proper national context two programmes of the successive governments of Sri Lanka merit consideration. These are (a) The Guranteed Price Schemes, and (b) The Commodity Rationing Scheme-(at present Food Stamps Scheme).

In practice the present guranteed price scheme in Sri Lanka, covers mainly Paddy/Rice.[1] A Govt. Corporation, namely the Paddy Marketing Board bears the responsibility of purchasing paddy from producers under the G.P.S. The P.M.B. in turn depends on about 276 Multi-Purpose Cooperative Societies and their branches totaling about 7,000 to collect the surplus paddy from farmers. In 1978 the P.M.B. collected 32 million bushels of paddy which is about 35% of the total production that year. A major portion of the balance goes to the Private Millers and Traders who w uld in turn sell the milled rice to commission agents in major cities such as Colombo, Kandy etc., Thus, the rural markets get only a little quantity of rice . It is only the small operator who resorts to rural markets. In some rural markets women sell small quantities of hand-pounded rice to consumers.[2] What follows from this is that the rural market plays a very neglegible role in marketing paddy/ rice which is the main crop in Sri Lanka's domestic agricultural sector.

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[1] Floor Price Schemes have been in existence for many other crops, but such schemes were mainly ad-hoc arrangements which did not ensure the continuity of procurement. The GPs for paddy had a built in component for distribution of rice through the Food Commissioners Department and Cooperative Societies whereas the FPS for most other crops did not have such arrangements.

[2] H.Yoshimura, et al - " Some Aspects of Paddy and Rice Marketing in Sri Lanka" ARTI, Dec.1975.

For grains other than rice and for pulse crops there has been no consistent government guranteed price scheme. Floor price schemes operated from time to time by the government were abandoned after the lapse of a few months, due to difficulties such as lack of proper final market outlets.[1] Therefore, for grains other than paddy/rice and pulses the major marketing outlets are village boutiques and commission agents in major wholesale markets such as Colombo. However, for these items rural fairs act as the second biggest producer level outlet as prominently seen in major producing areas like Anuradhapura, Badulla, Uda-Walawe etc.,

The market share of the three major permanent crops in the country, tea, rubber & coconut in the rural markets are negligible. Rubber does not enter the rural markets at all, while tea is sold retail to consumers. Loose tea, as well as packeted tea is available in most rural markets. In some rural markets lower quality tea (e.g. sweepings, dusts etc.,) is sold cheap to the consumers. Some local traders sell tea under their own brand-names and although the price is lower than most popularly known brands the quality is inferior. As for coconut the de-husked nuts of which scraped kernel is used in curries are readily available at rural markets, especially in areas where coconut is not grown extensively. However, here again the major portion of production by-passes the rural markets, and goes for processing, copra, coconut oil and dessicated coconut.

Thus the main commodities traded at rural markets include vegetables, fruits, betel leaves and arecanut. In major producing areas of these commodities the rural market performs the assembling function for distribution to other rural fairs and urban centres. These fairs which deal mainly with a particular types of commodities are usually known as producer fairs. Low-country vegetables, banana, up-country vegetables, arecanut are among the commodities traded at such specialised producer fairs.

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[1] "Production and Marketing of coarse Grains and Grain Legumes" - ARTI (Memeo) will be published shortly.

The second government programme concerns with the distribution of essential consumer items. The successive governments since independence have continued with the rationing schemes for distribution of major consumer items. Although the number of beneficiaries as well as the types of commodities under the rationing scheme varied from time to time, a large proportion of rural farm families have benefiteed from such schemes. The present Food Stamps Scheme supplies most daily necessities to consumers mainly through the cooperative societies. The commodities covered by this scheme include among others rice, kerosene oil, wheat flour, sugar and powdered milk. Since, many rural people use cooperatives to buy these commodities the rural market has become a less important source of supply for such items. Many rural consumers generally buy their additional requirements of these items at village boutiques or shops at the nearby service-town, by-passing the rural market.

The foregoing discussion allows us to identify the role of rural markets in marketing agricultural products and supplying consumer items. Another main role of such markets seems to be the functioning as a principal marketing outlet for products of small-craftsmen at village level. Earthernware goods, mats and hand bags etc., and minor agricultural implements are sold at many of these markets. In fact items such as soap and tooth powder which are produced by small scale enterpreneurs under names similar to well known brands are also marketed in rural fairs.

Some earlier studies[1] have shown many of these fairs to be " middlemen's paradises." Some others were of opinion that the periodic market system operates in the interest of Urban consumers.[2] Monopsony practices, collusive arrangements, price-rings of traders, have also

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1 Dudley Fernando - "Pola in the National Context " Ceylon Daily News 21 -10 -75' and " The Middlemen's Paradise" Ceylon Daily News 19 -09 -75'.

2 D.W.Jackson - " Polas in Central Sri Lanka". Ceylon Studies Seminar, Peradeniya, 1977.

been identified in many of these fairs. "Lack of proper market supervision has led to various trade abuses. Amongst these short weights and measures, excessive market charges and control of activities in the market by organised groups stand as more prominent."[1]

It is generally believed that the physical facilities available in many rural fairs are very poor. The temporary sheds erected by owners (whether they be private individuals or local government Institutions) are grossly inadequate and also space available is not sufficient to cater to the needs of the producers and buyers. Non-availability of sufficient facilities for loading and unloading of goods and lack of sanitary arrnagements are common problems in most rural fairs.

These problems and deficiencies perhaps are well known to producers and traders as well as to the supervising agencies, but has not received due consideration from planners and policy makers. Therefore, the people who make use of these fairs are compelled to accept the things as they are. Thus, it would be both timely and useful to identify the nature of deficiencies at these markets which will subsequently form the basis for future development plans.

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1 "Production and Marketing of Coarse Grains and Grain Legumes", ARTI (Mimeo) to be published shortly.

THE PROJECT

A Rural Market Centre Development Programme has been initiated by the Food and Agriculture Organisation of the United Nations and the German Foundation for International Development with the participation of ten countries in the South and South East Asian Region including Sri Lanka. The Ministry of Plan Implementation of the Government of Sri Lanka acts as the National Coordinating agency for this programme. All countries participating in this programme are expected to take following actions at country level.

(a) Conduct a Rural Market Survey to evaluate their performance.
(b) Formulate long-term government policies and programmes for rural market development.
(c) Preparation of a plan for man-power development to support the envisaged rural market development plan and
(d) Arrange a national seminar to solicit support from various government, private and other agencies that are concerned with rural market development.

Accordingly, the ARTI was assigned the responsibility of conducting the rural market survey.

OBJECTIVES OF THE SURVEY

As shown earlier the rural markets (normally the small farmers first link with marketing channels) in Sri Lanka have in its structure a series of drawbacks. Amongst these, the absence of proper physical market facilities, inadequate complementary services, inefficient operational procedures, and lack of proper supervisory services stand as/the most important.

So far, scant attention has been paid to solving these problems and designing specific plans for rural market development as a means for improving the lot of the small farmers. *Therefore, the present survey*

on the role of rural markets is being designed with a view to promoting the development of rural markets in order to provide the smaller farmer with efficient first hand marketing outlets which would in turn stimulate agricultural production, increase his income, facilitate the procurement operations and render other development services.

The broad objective of the present survey is to assess the adequacy of rural markets serving small farmers in terms of number, size location, physical facilities and operational efficiencies, etc., with a view to providing basic information to formulate government policy and programmes for rural market centre development.

The scope of the present survey included among others,

(a) Market Access	*: The feasibility of bringing agricultural products to the market for sale*
(b) Pricing Efficiency	*: Factors determining the price that small farmer receives*
(c) Operational Efficiency	*: Operational and Technical facilities with the aim of minimising costs of marketing; and*
(d) Innovative Efficiency	*: Dissemination of ideas and changes in production technology, etc.,*

METHODOLOGY

The survey was undertaken in the Kurunegala District as suggested in the country-action plan prepared by the implementing agency. **The list of rural markets provided by the Regional Assistant Commissioner of Local Government in Kurunegala, was used as the sample frame. There were 65 rural markets in the list and out of this 30 were selected at random. The distribution of the sample of rural markets is as follows:**

Agro-Ecological zones			% area in the district	% population
Intermediate Lowland	24	80%	70%	82%
Wet Lowland	2	7%	10%	4%
Dry Lowland	4	13%	20%	14%
	30	100	100	100

Three different questionnaires were used to gather information on each market.

(1) Questionnaire 'A' - General
One per market. Information on identification, supervising agency, frequency of operation, covering area, available physical facilities, market staff, collection of fees and its uses, etc. were collected (a) by interviewing village council officials, agricultural extension staff, market contractor, cultivation officers, etc., (b) by collecting data from available records in various institutions. 30 general questionnaires were perfected in all-

(2) Questionnaire 'B' - was directed to the two groups of sellers attending the market. At least 5 producers and 5 traders were interviewed in each market. The information sought were related to market access, crops grown, marketable surplus, extent of utilisation of the rural market for disposal of farm products, prices received , price variation over time, trading practices, price information, and methods of price determination. During the survey 165 traders and 146 farmers were interviewed.

(3) Questionnaire 'C' - This was directed to buyers attending the market. Since there are two categories of buyers - i.e. consumers and traders, 5 from each category for each rural market were interviewed. Data on market access, commodities and quantities bought on the market day, unit price paid, experienced price variations over time and possible reasons, trading practices, types of market facilities used etc., were some of the information collected through this questionnaire.

Total number of respondents for the survey was 314, out of which 162

were farmer consumers and the rest, (152) traders. Therefore, the number of questionnaire schedules available for analysis were as follows:-

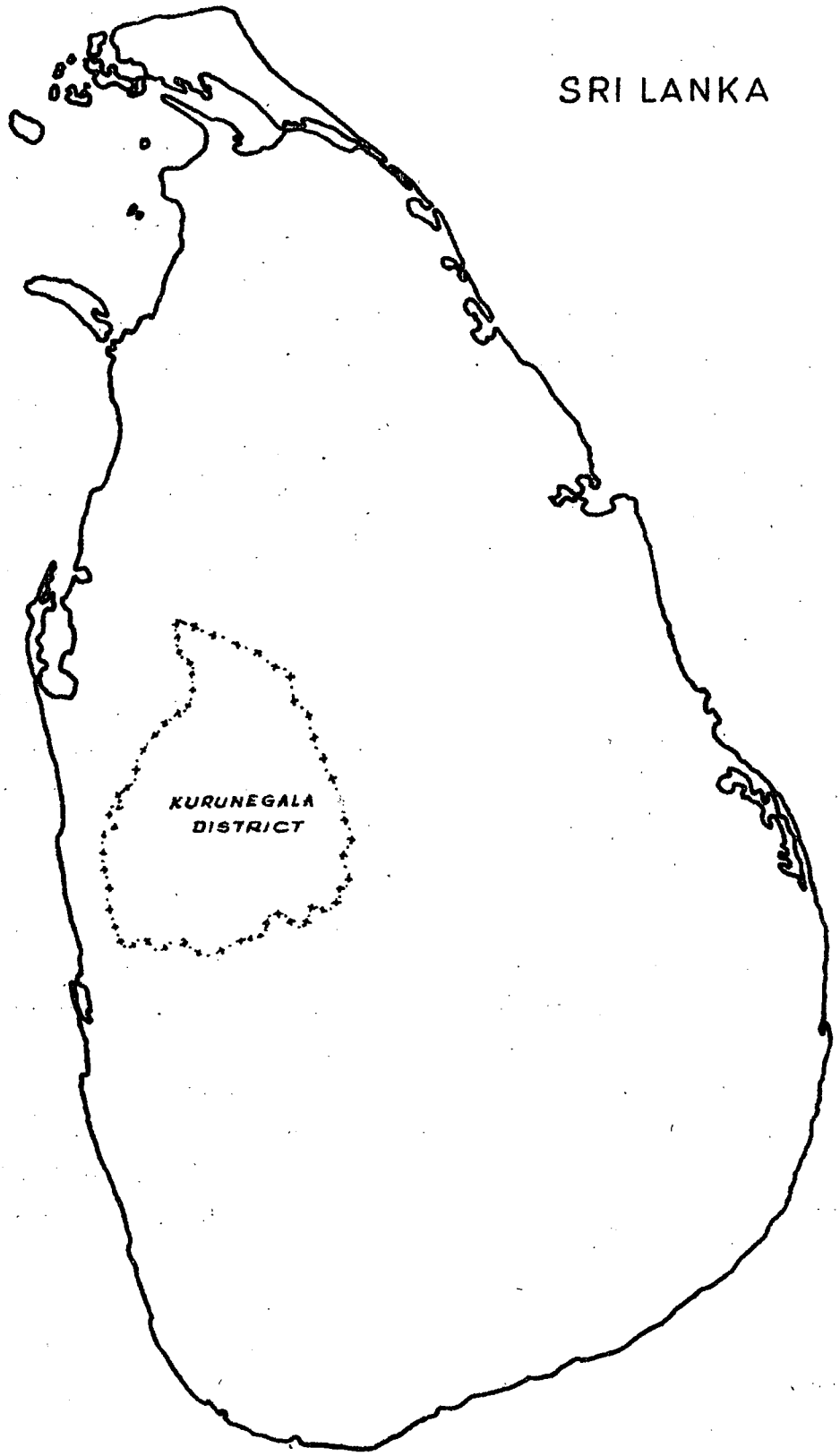
Questionnaire 'A'	- 30
Questionnaire 'B'	-314
Questionnaire 'C'	-311
	655

In addition the investigators were asked to make their own observations regarding the operations of the market. The collection of data was done by 15 trained investigators - (i.e. 2 markets per investigator). They were stationed at the study locations for a period of one month from 5th October, 1979, and their work was closely supervised by the author.

STUDY AREA

The Kurunegala district in which the present survey was carried out is located in the North Western Province of the country. Out of the 24 administrative districts in Sri Lanka Kurunegala is the third largest and represents about 7% of the total area and 8% of the total population. The estimated land area is about 1,850 square miles and the population is about 1.15 million. The average population density is about 620 per square mile. However, this varies from less than 400 in the northern part to over 1,000 in the southern parts. More-over, the 1971 census of population reveals that 96% of the population in Kurunegala is rural whereas the national average is only 78%.

Kurunegala district has a tropical climate, and rainfall follows a bi-modal pattern. Maha rains (the North East Monsoon) comes in October to December while Yala rains (south west monsoon) is during March to June. On the basis of rainfall the district can be devided in to 4 zones.


SRI LANKA
KURUNEGALA
DISTRICT

Mean annual rainfall	zone	% area
Less than 60"	dry	20
60" - 75"	semi-dry) Inter-	
75" - 90"	semi-wet) mediate	70
Over 90"	wet	10

Out of the total land area of about 1.2 million acres about 50% is under permanant cultivation. Coconut and paddy are the two most important crops in the district covering about 380,000 acres and 170,000 acres respectively. Rubber accounts for 15,000 acres and another 35,000 acres are under mixed rainfed farming. Fruits, vegetables and spices are grown in these lands. In addition roughly about 90,000 -100,000 acres of land mostly in the low populated northern part with a dry or semi-dry climate, comes under chena (slash and burn) cultivation annually. The main crops grown in chena include cereals, pulses, vegetables, chillies, and roots and tubers.

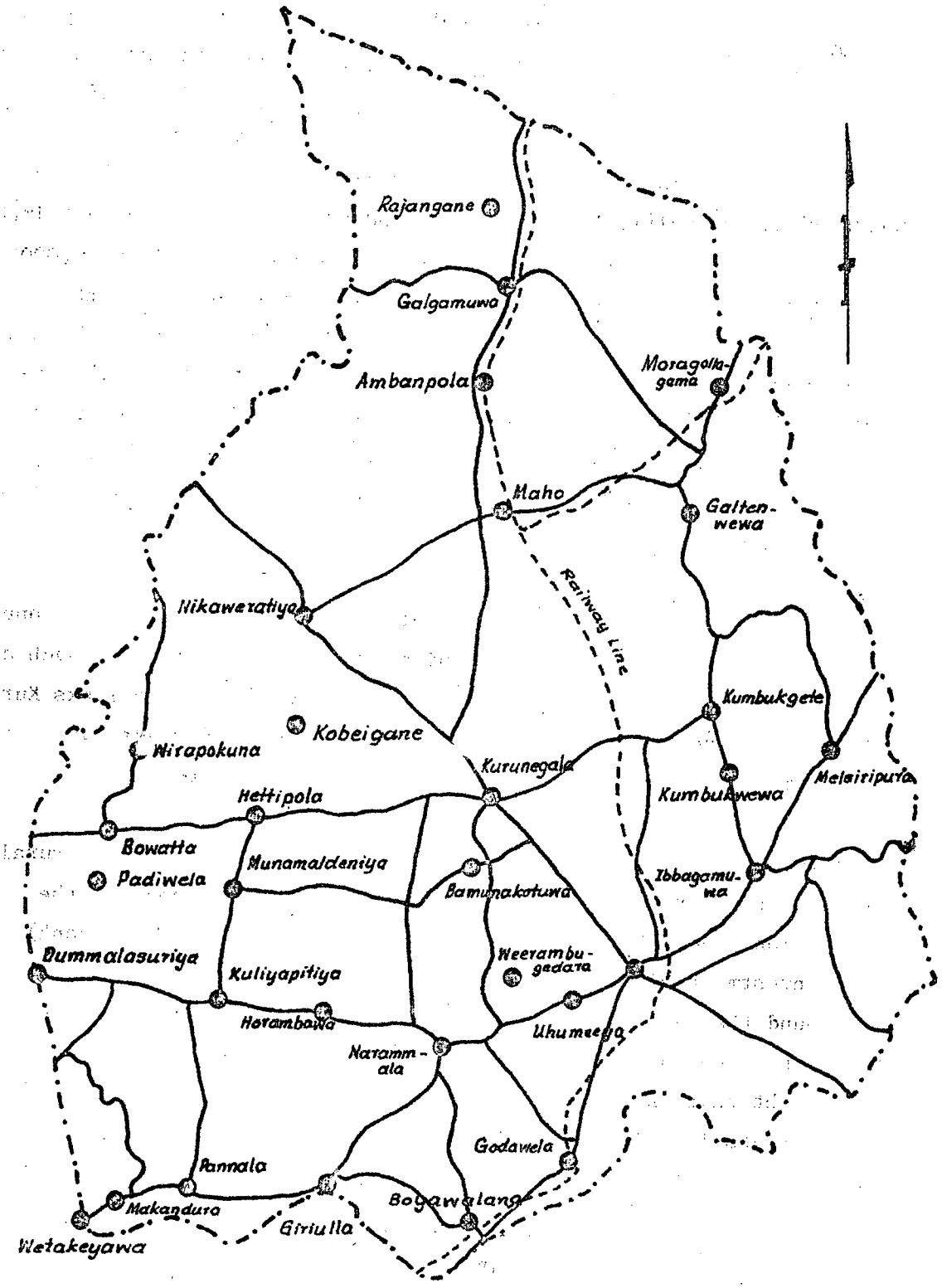
Kurunegala the district capital is well served with good roads connecting it to Colombo, the national capital and other main cities such as Kandy, Puttalam and Anuradhapura. In addition the railway links Kurunegala with Anuradhapura, Kandy and Colombo. Gravelled roads and dirt tracks tie up the villages to the main transport network.

The government of Sri Lanka has already launched an integrated rural development programme in this district with the assistance of the International Bank for Reconstruction and Development (World Bank). Total investment will be in the region of Rs.446 million. It has now been found that aspects of produce marketing have not received much attention even in the above mentioned programme and therefore, it was thought that an evaluation of the performance of existing periodic rural markets in this district would be useful to planners and policy makers.

LIMITATIONS OF THE STUDY

One of the major limitations of this survey is its coverage. Perhaps,

MAP SHOWING LOCATION OF RURAL MARKET SURVEYED IN KURUNEGALA DISTRICT



confirning the survey to Kurunegala district alone would seem insufficient to reflect the national context. Inadequate resources at the Institute, and the limited time available restricted the survey to Kurunegala District, However, casual observations suggest that the characteristics of rural periodic markets in the remainder of the country are represented in the Kurunegala sample, although they may appear in other places in varying proportions.

Another limitation was the timeliness of the survey. Since the data collection was carried out during early Maha season, local produce entering rural markets during this period was very little. This was due mainly for the time limitations which did not warrant the postponement of the field data collection activities. Since the survey period covered the slack season, the problems highlighted in this study could well be of a larger magnitude during the peak harvesting season of most chena crops.

CHAPTER 2

HISTORICAL EVOLUTION OF THE RURAL MARKETS IN SRI LANKA

Information on the evolution of rural markets in Sri Lanka is scanty. Fernando (1975) has traced the development of rural (Fairs - 'Polas') markets in association with religious festivals and pilgrimages. He is of the view that they represented the biggest annual buying spree of the small peasants. As many of these festivals took place after harvesting the farmers had enough means to buy their needs at these places.[1] However, this explantion seems to be too narrow, Jackson (1977)[2] after perusing various government documents and secondary sources concludes that these markets are primarily a 20th century development. Her own thinking is that the beginning of rural markets in Sri Lanka would not go beyond the late 19th century.

Robert Knox in his autobiography has stated that there were no markets in the island at that time except for a few shops. He further comments that 'All sorts of money here is scarce; and they frequently buy or sell by exchanging commodities.[3]

The exchange of commodities widely known as the barter system was the most common means of exchange until Sri Lanka entered the monetized economy. The fuedal society based on caste system during ancient times was more or less self sufficient and therefore they would have had enough to sustain themselves by exchanging one commodity for another and carrying what they have to other parts of the country to supply themselves with what they want. Thus, the earliest form of internal trade was limited to 'tavalam' teams which used trained cattle to carry goods through rough terrain before the advent of good roads. The 'tavalams' transported coastal products like salt, cloth and dry fish into the interior and returned with arecanut, grain, coffee, and jaggery.

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1 Fernando A.D.N. op.cit

2 Jackson D.W. op.cit.

3 Robert Knox "An Historical Relation of Ceylon "Tisara-Dehiwala 1966, quoted by Jackson op.cit.

Casie Chitty (1834)[1] has listed some forms of restrictions associated even wtih such trade. These include lack of regular roads, restrictions and custom duties which were in force in passing from one district to another in the interior, and the gravet taxes between the interior and maritime provinces. Jackson[2] surmises that periodic markets of Sri Lanka developed faster after the British take over, when conditions for trade became more favourable due mainly to political unification, the expansion of the transportation network, increasing production for sale in a context of greater consumer demand, and inter-related with all these, the development of a plantation economy. Increased occupational specialisation, economic differentiation, and monetization appear to be secondary contributions that led to the growth of rural markets in Sri Lanka.

Jackson was of the view that in early 20th century, rural markets(polas) had little relation to each other. "They existed separately with no staggering of schedules, each collecting vegetables from its hinterland to be transported on major roads and railways to urban centres for consumption. Many of these first 'polas' later became the major vegetable wholesale points continuing their early work of providing for urban centres. In early 1940's whilst the older polas remained, the spaces between them have been filled by new polas established to operate on other days. This filling in process was very rapid in areas of greater population.[3]

Today, the number of rural markets have been increased to about 550 . However, "inspite of the rural impetus for expansion the old urban oriented assembling markets did not alter in either their schedules or their locations. Instead new rural markets dovetailed to the old ones.[4]" Out of the 550 polas 63% are held once a week and 37% twice a week or more. About 326 village fairs are owned and managed by

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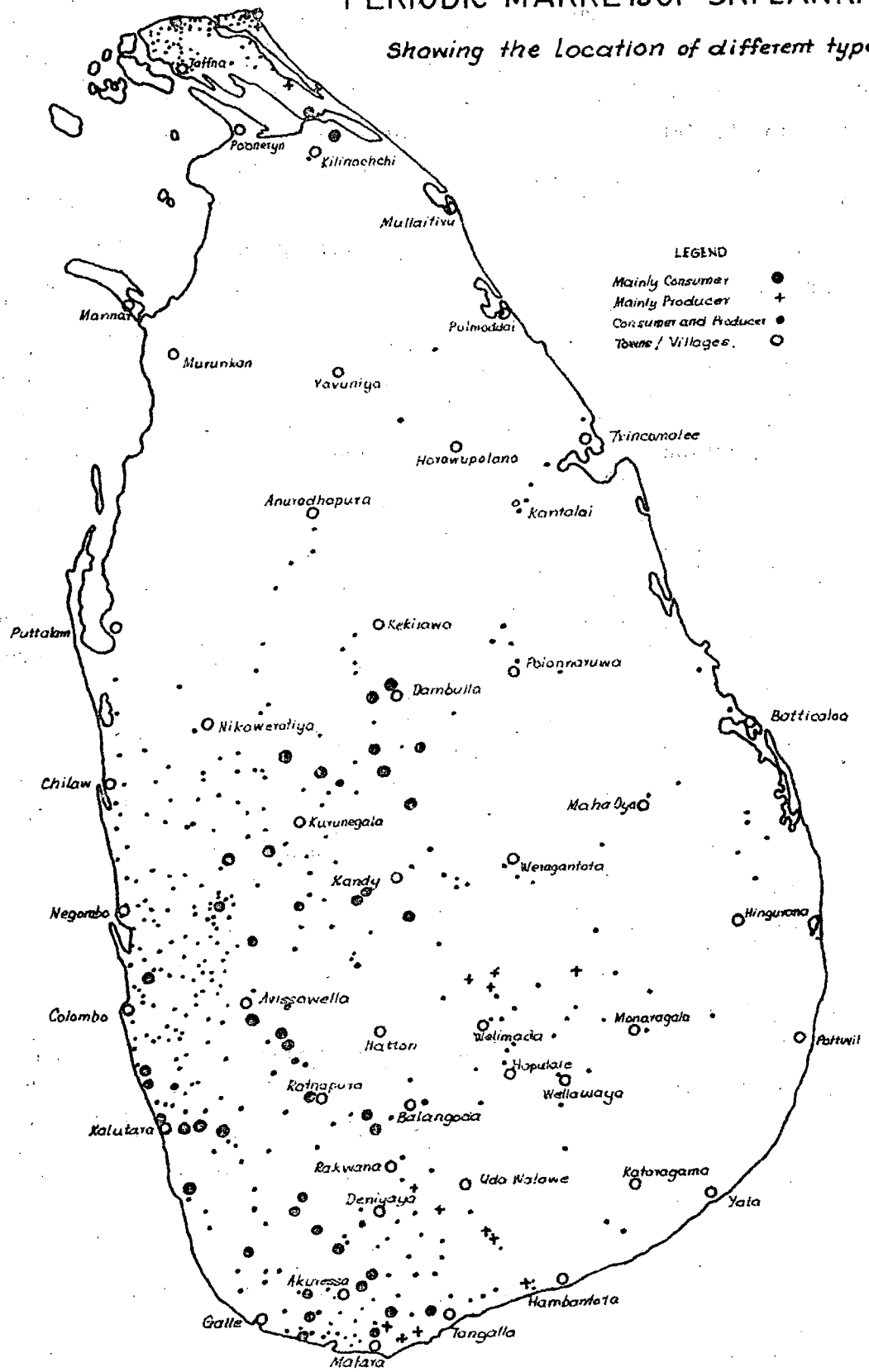
1 Cassie Chitty, Simon"The Ceylon Gazette, "Colombo 1834, qurted by
2 Jackson op.cit.
Jackson D.W. op.cit.
3 Jackson D.W. op.cit
4 Jackson D.W. op.cit,

PERIODIC MARKETSOF SRI LANKA 1975

Showing the location of different types of polas.



Source:- Towards Self-reliance in Sri Lanka, by J. A.V. D. Fernando and A. D. N. Fernando, in 1976.

private individuals, while 67 are controlled by local government authorities. The balance 126 are rented out to private individuals by the respective local government authorities. Badulla, Colombo, and Kurunegala districts have the largest number of rural fairs. It is evident that "patterns of population distribution and agricultural land use are major factors influencing the location of rural polas."[1] e.g.Mannar, a thinly populated district has no rural fairs, and Polonnaruwa where the paddy cultivation is the most important economic activity has only 3 rural polas.

De Silva (1978) has presented the district-wise distribution of rural fairs in Sri Lanka[2], on the basis of figures provided by the Commissioner of Local Government.

Amparai	7	Kurunegala	65
Anuradhapura	11	Mannar	--
Badulla	84	Matale	7
Batticaloa	13	Matara	38
Colombo	79	Monaragala	17
Galle	18	Nuwara Eliya	4
Hambantota	22	Polonnaruwa	3
Jaffna	51	Puttalam	26
Kandy	12	Ratnapura	21
Kalutara	16	Trincomalee	4
Kegalle	25	Vavuniya	4
			527

These rural markets can be broadly categorised into three groups, (a) mainly producer (b) mainly consumer and (c) Producer and consumer. The mainly consumer markets are located in cities and urban centres in the western and southern parts of the country. Mainly producer fairs can be found in the districts of Badulla, Jaffna, Hambantota and Matara. In most other districts the rural markets cater to both

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[1] Fernando, A.D.N. op. cit.

[2] De Silva . Mervyn D. " Rural Markets Serving Small Farmers in Sri Lanka ". Colombo 1978.

producers and consumers. The present study area, Kurunegala district belongs to the third group.

In the following chapters an attempt will be made to present the findings of the survey undertaken in the Kurunegala district.

CHAPTER 3

ROLE OF RURAL MARKETS FOR SMALLER FARMER DEVELOPMENT IN THE KURUNEGALA DISTRICT

It was shown earlier that 96% of the population in the Kurunegala district was rural in 1971.[1] This percentage could not have changed drastically since then. Therefore it can be safely concluded that Kurunegala is predominently an agricultural area. The survey results show that on an average rural market serves a population of 14,500. The average number of agricultural households per market is about 3,500, covering an area with a radius of about 3½ miles, thus having generally an area of operation of 38 square miles. These average figures however do not reveal the real distribution of rural markets within the district. Thus, an attempt was made to differentiate between the large markets and smaller ones. Identification of a medium group was difficult except on the basis of the fees collected which is a sufficient indicator of the number of traders attending the market. This analysis shows that while an average small rural market caters for a population of around 10,000 the larger fairs cater for more than twice that number. The average number of agricultural households served by small fairs is 2,200 whereas the number of agricultural households served by large fairs averaged to 5,300. Here the most interesting feature is that while small fairs draw customers up to a maximum radius of 8 miles, the larger fairs reach out to an average radius of 15 miles. This situation supports Jacksons findings when she says that new markets emerged to facilitate the "filling in process". However, the findings of the present survey suggests that this "filling in process" has not taken place properly, but was a result of actions taken by Local Government authorities and private individuals who were equally motivated by 'easy profits'. A closer examination of the location of rural markets in the Kurunegala district further supports this view.

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[1] All Municipal, Urban and Town Council areas were regarded as belonging to the Urban sector. All other areas including the estate areas comprise the Rural Sector.

It is evident that the fairly developed transport network in the Kurunegala district has been a major determinant of the location of rural markets, the first group appearing at 10-12 miles apart along the main routes followed by a second group located in between the first group and along feeder roads.

Some of the markets in the second group exhibit signs of improvement while many others do not justify their existence. The rural markets at Kumbukgete and Munamaldeniya are examples of the latter groups. Many farmers and consumers still prefer the older markets bypassing the new ones.[1]

The distribution of rural markets in the district, particularly the first group, is such, that one trader can visit a group of markets on different days within a week. This rotational pattern allows traders to keep themselves employed throughout the week by paying a minimal market charge per day. If they were to have permenant shops at a specific location they would have paid very much higher rents for shop space. The following examples show the pattern of round-trips (circuits) made by traders. This practice is normally called "pola ravuma.

(a)	Maho	-	Saturday
	Balalla	-	Sunday
	Ambanpola	-	Monday
	Galgamuwa	-	Tuesday
	(Tambuttegama) free	-	Wednesday
	Nikaweratiya	-	Thursday
	Amamaduwa/ Nagollagama	-	Friday

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[1] In both these cases the selection of the market day seems to be inappropriate.

(b)	Wellawa	-	Saturday
	Hiripitiya	-	Sunday
	Moragollagama/ Kumbukgete	-	Monday
	Rambe	-	Tuesday
	Kumbukwewa	-	Wednesday
	Free	-	Thursday
	Galtenwewa	-	Friday

These circuits have been evolved in main part more for the benefit of traders visiting those markets, rather than for consumers or producers. It was also found that large scale buyers rarely made use of pola ravuma system. They usually tend to concentrate their buying mostly in producer oriented fairs. Sellers of vegetables, dried fish, dry provisions, textiles and books etc., however, make use of the 'circuit system', as sales per market tend to be low.

About 2/3 of the 30 markets surveyed are held once week. Another 27% are held once a week with wholesale operations, done in the previous evening while the rest (7%) is held twice a week. The markets which come under the second category can be identified as those mainly catering to producers and they usually attract buyers from more distant urban areas and producers from within a radius of about 15 miles. The markets which belong to the first group mainly serves producers during the principal harvesting season of the year and become consumer markets for the rest of the year.

The following table shows the distribution of ownership, supervision, fees collection, maintenance and control anddirection of rural markets surveyed.

Table 1: Distribution of Ownership and Management of Rural Markets

	Ownership		Supervision		Fees collection		Maintenance		Control & Direction	
	No.	%	No.	%	No.	%	No.	%	No.	%
Local Government authority (v.c/u.c)	22	73.3	20	66.7	9	30.0	22	73.3	16	53.3
Co-operative(M.P.C.S.)	--		1	3.3	1	3.3	--		1	3.3
Contractor	--		1	3.3	11	36.7	--		4	13.3
Other arrangements	--		-	-	1	3.3	--		1	3.3
Private	8	26.7	8	26.7	8	26.7			8	26.7
Total	30	100.0	30	100.0	30	100.0	30	100.0	30	100.0

Among the rural markets surveyed the majority (22 or 73%) are owned and maintained by the local government authorities in the area and the rest by private individuals. It was noticed that usually the rural markets originate with the initiative of private individuals. A person owning a block of land suitable for a rural market usually puts the idea through to the traders attending nearby markets.

If he can convince a sufficient number of traders he obtains a licence from the Local Government authority of the area and opens the market after giving due publicity. In this process it is essential to fix the market day to fit the normal pattern of round-trips of the traders. Many cases that came under our review were markets started by private individuals, and later acquired by Local Government Authorities. The number of markets established by the Local Government bodies themselves is very few.

All the private-owned 8 markets in the sample are under the direction and control of the owners themselves. A manager is usually appointed to collect market fees, and to supervise the activities in the market. However, the 22 markets belonging to Local Government Institutions had different arrangements particularly with regard to the collection of

fees. Half of the markets owned by Local Government bodies are rented out to contractors on a tender basis. When calling for tenders the respecitve Local Government Authority fixes a minimum value for the tender and the highest bid is accepted. The tenderer or contractor will have the right to collect market fees for one year according to the rates fixed by the Local Government Authority. In turn the contractor is responsible for the general cleanliness of the place and he also acts as an arbitrator in cases of dispute among the parties attending the market. The maintenance and general supervision and control are vested with the Local Government Authority. There was an instance where one rural market was rented out to a Multi-purpose Cooperative Society and another to a branch of a well-known political party. It was only in case of 9 markets studied that the local government authorities were managing all aspects of the rural markets under their jurisdiction.

Table 2 shows the attendance of traders at various rural markets. The average number of traders attending markets of all size groups is 181. However, it is seen that the number of traders at a large size average market is about 4 times higher than that of a market in the smaller size group. In all the markets under review the vegetable traders form the biggest group. Sellers of dry provision are the second largest group followed by traders of dry fish, betel, arecanut and textiles, in that order. Traders grouped as others are mostly sellers of pottery, minor agricultural and household implements, fancy goods, books, sweets, cool drinks etc., They do not employ assistants, but it was found that sellers of vegetables, dry provisions and textiles etc., employ assistants averaging 2 per seller. *Therefore, in any one market day, between 250-300 people earn their living by trade.* The local brokers for wholesale buyers, petty traders (particularly women) and other hawkers who sell baloons, ice cream etc., add nearly another 50 to this number.

The traders attending these markets can be grouped into 3 categories.

a) traders who come from within the area of operation of the particular rural market.

b) traders who come from outside the area of operation but from within the same district, and

c) traders who come from outside the district particularly from main cities and other producing areas of the country.

The majority of traders interviewed came every week to the respective markets, excepting the wholesale buyers listed under category (c) above.

Their visits depend on the availability of local agricultural products for sale. During the harvesting season which is usually December - March the number of wholesalers coming from distant areas, and urban centres increases by about thrice the number in slack periods. Many contractors as well as the officials of the local authorities managing rural markets said that the number of wholesalers coming to the markets regularly were on the decrease, due mainly to high transport costs resulting from the increased price of fuel.

It is evident from table 3 that only about 65% of the producers came to the market for sale of agricultural products every market day. This low attendance compared with that of traders could be partly due to the seasonality of their production, while the availability of other marketing outlets may also be a contributory factor.

Village boutiques, the Marketing Department or the Cooperative purchasing points are the most important alternative marketing outlets to the periodic rural markets. In other areas where regular lorry transport services are available (e.g. Colombo-Kurunegala-Anuradhapura) some farmers particularly with large supplies may establish trade links with wholesalers in secondary markets thus by-passing many local level intermediaries.

The average number of farmers and consumers attending a rural market ranged from about 1,500 to well over 10,000 depending on the size of the market. During festive seasons (i.e. Sinhala/Tamil new year, and Christmas period etc.,) and also during peak harvesting seasons and school vacations, the number was much more.

Table 2 Average Number of Traders Per Market

	Total	Vegetables	Dry-Provisions	Dry-Fish	Betel	Arecanut	Textile	Others*
Size group								
Small	76	18	9	12	11	6	5	15
Medium	113	29	11	16	14	12	9	22
Large	311	109	41	53	26	21	28	35
All groups	181	59	23	22	18	16	17	25

* Include sellers of Sweets, Cool drinks, Pottery, Agricultural & other implements, Books Fancy goods etc.,

Table 3. Frequency of Visiting the Market

Frequency of visiting the market	Buyers (Traders)		Consumers (Farmers)		Sellers (Traders)		Sellers (Farmers)	
	No.	%	No.	%	No.	%	No.	%
Every market day	136	89.5	140	85.2	159	96.4	94	64.4
Thrice a month	2	1.3	1	0.6	3	1.2	--	--
Twice a month	3	2.0	12	7.4	--	--	16	10.9
Once a month	--	--	--	--	1	0.6	1	0.7
Occasionally	11	7.2	11	6.8	2	1.8	35	24.0
Total	152	100.0	162	100.0	165	100.0	146	100.0

Table 4 shows the acreage and production of main crops within the total area of operation of the 30 markets studied. It also details the annual quantities of these items traded through the rural markets and the average values of commodities thus traded. Information on these were collected from different sources.

Cultivation Officers of the Agrarian Services Department formed the principal source of information which was checked with other officials such as the Grama Sevaka (Village Headman) and officials of the Government agricultural extension service. In the absence of records for exact information the figures given here should be treated as rough approximations, and not in their absolute values.

Table 4. Importance of Rural Markets in Disposal of Farm Products

Crops	Acreage	Production	Quantity sold through rural markets.	Value Rs.	% sold through rural markets.
Paddy/ Rice	92175	Bu. 3313647	Bu. 5440	599,384	0.16
Grains/ Pulses	26986	Cwt. 235866	Cwt. 14708	2,731,825	11.44
Vegeta-bles	7690	Cwt. 125884	Cwt. 61642	4,375,714	48.96
Fruits	1275	Cwt. 1047085	Cwt. 70829	8,354,380	6.76
Yams	5175	Cwt. 196128	Cwt. 6258	216,990	3.19
Coconuts	11775	nuts('000) 23713414	52000	31,200	0.21
Betel leaves	555	('000) 191697	('000) 76679	762,160	40.00
Arecanuts	125	nuts('000) 114700	nuts ('000) 227096	11,665,760	200.00
Subsidiary food crops	855	Cwt. 28028	Cwt. 272	48,096	0.97

Of the three agro-ecological zones under which the study locations fell, it should be noted that in the low country intermediate zone all major types of crops shown in table 4 are grown whereas in the low country wet zone the production is limited to paddy and coconut and perhaps to fruits, ginger and turmeric. Thus, at low country wet zone rural markets, the agricultural commodities traded are brought from other rural markets or from major producing areas and urban wholesale markets. In the low country dry zone the main crops include paddy, other grains, and pulses, subsidiary food crops, and low country vegetables. Production of coconut in this area is limited as in the case with fruits, betel and arecanuts. This pattern of agricultural land use generally determines the type of traders attending the markets. For example, in the low country wetzone rural markets the

presence of wholesale buyers is a rare occurance. They bring vegetables etc., from other areas and sell them to retailers for re-selling at the market. On the other hand many wholesale buyers can be found in the low-country intermediate zone rural markets. In the markets of the low country dry-zone, the presence of such traders is seasonal. They come in large numbers when chena crops are being harvested.

It is evident from table 4 that the importance of rural markets with regard to widely cultivated crops in the district i.e. paddy/rice and coconut is limited, the percentage of the total production of such commodities traded through rural markets being less than 1. This is mainly due to the presence of better alternative outlets as discussed elsewhere. A similar pattern is shown even in case of subsidiary food crops such as dried chillies and onions.

The lower percentage of yams (roots and tubers) and fruits entering rural markets may be explained in-terms of higher domestic consumption resulting from limited production per farm. *Thus, it is observed that rural markets in Kurunegala play an important role in disposing of farm commodities such as vegetables, arecanuts, betel, and other grains and pulses.* It was shown earlier that the government and/or cooperative procurement programmes for these crops are less effective than that established for paddy.[1]

Table 5 further illustrates the pattern of entry of Agricultural produce to an average rural market in the Kurunegala district. Here again the seasonality is negligible in case of rice and coconut, but marked differences are found in the case of vegetables, other grains and pulses, fruits and subsidiary food crops.

It is difficult to arrive at meaningful estimates of the contribution of rural market sales to the farmers incomes. This is because,

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[1] Many earlier studies also have shared this view. For example, see "Economics of Vegetable Production & Marketing" ARTI (1974) by Abeysekera Terrence & Senanayaka Piyadasa.
"Factors Influencing Vegetables Prices in Sri Lanka" ARTI (forthcoming) and "Marketing of Coarse Grains and Grain Legumes" ARTI (forthcoming).

a) A farmer usually has more than one source of agricultural income e.g. a vegetable producer could also have a paddy farm, a highland plot with permanent crops such as coconut, and also a home garden with mixed crops.

b) Many farm household incomes are composed not of farm incomes alone but also of income from non-farm pursuits.

Table 5. Pattern of entry of Farm Products to an Average Rural Market

Crops	Annual	Amount	Average Day	Amount	Peak Day	Amount
Rice	(Bush.)	910	(Bush.)	18	(Bush.)	20
Grains/Pulses	(Cwt.)	14700	(Cwt.)	325	(Cwt.)	600
Vegetables	(Cwt.)	2680	(Cwt.)	100	(Cwt.)	525
Fruits*	(Cwt.)	7900	(Cwt.)	35	(Cwt.)	155
Yams	(Cwt.)	700	(Cwt.)	80	(Cwt.)	90
Coconuts	(Peeled nuts)	5200	(Nuts)	1000	(Nuts)	1200
Betel leaves	('000)	7250	('000) (leaves)	130	('000) (leaves)	170
Arecanuts	('000)(nuts)	56775	('000) (nuts)	245	('000) (nuts)	375
** Subsidiary crops	(Cwt.)	275	(Cwt.)	15	(Cwt.)	130

* Mainly banana and pineapples

** Mainly dry chillies.

A detailed investigation into these aspects was not possible during the present survey. An attempt was however, made to obtain some clues as to what components should be given weightage in the composition of farm incomes among the farmers interviewed. The results are presented in Table 6. The sellers of farm produce interviewed during the survey consisted mainly of vegetable growers whose average holding per crop was less than ½ acre. Others included growers of banana, manioc, red onions and turmeric. These low extents reported and the narrow coverage of crops were mainly due to the improper timing of the survey. The

situation further worsened by adverse weather conditions prevailing at the time. Under such circumstances the paddy crop usually fails, and the farmers income is mainly dependant upon the crops given in Table 6. This is particularly so when they do not own highland with permanent crop in extents whose production exceeds domestic consumption needs. The last column in table 6, provides information on the percentages of marketable surplus sold through the market by the responding farmers. *It can be seen that for most vegetables the rural markets act as a very important marketing outlet. But, for other groups of crops the rural market seems to play a less effective role. Perhaps this would mean that incomes of the farmers of the latter group of commodities are less dependant on prices received at rural markets, compared to those of farmers in the earlier group of commodities.*

Table 6. Average Extent Production and Marketable Surplus by Crops

Crop	Number Reporting	Extent (ac)	Production (in lbs.)	A V E R A G E Marketable Surplus(in lbs,) Qty.	%*	Marketable Surplus sold through the market (in lbs.) Qty.	% +
Beet root	11	0.28	601	533	92.0	435	78.7
Cabbage	10	0.35	599	557	93.0	260	46.7
Raddish	8	0.28	1004	998	99.4	886	88.8
Knol kol	4	0.31	813	588	72.3	344	58.5
Tomato	3	0.16	908	747	82.3	644	86.2
Rich gourd	17	0.21	738	636	86.8	428	67.3
Snake gourd	18	0.36	6412	5974	93.2	3557	59.5
Long beans	25	0.37	3426	3084	90.0	1447	46.9
Ladies finger	8	0.27	719	696	96.8	672	96.6
Bitter gourd	6	0.24	508	496	97.6	492	99.2
Kekiri	10	0.32	2227	2083	93.5	1253	60.2
Brinjal	14	0.40	735	679	92.4	627	92.3
Golden Melon	7	1.09	3721	3496	93.9	2428	69.0
Green Chillies	33	0.39	1573	1528	97.1	1414	92.5
Capsicum	15	0.30	2550	1501	58.9	1447	96.4
Manioc	9	0.97	5767	4601	79.8	2709	58.9
Red onion	5	0.12	222	221	99.5	115	52.0
Turmeric	3	13.40	12376	3772	30.5	793	21.0
Banana[x]	16	2.14	402	374	93.0	203	54.3

* Percentage out of Average Production
x Production in Bunches
\+ Percentage out of Average Marketable Surplus

This situation is further classified in table 7. Here it is found that about 60% of the sellers of farm commodities interviewed has by-passed the rural market in favour of other marketing outlets.

Table 7. Reasons For By-Passing the Rural Market

Total Number of reporting Farmers = 88 (100%)

Reasons	Sellers	
	No.	%
A better price	37	42.0
Urgent Cash needs	7	8.0
The fair is too far	7	8.0
Buyers come to the farm	25	28.4
High cost of transport	7	8.0
Disparity in days of harvest with the days of fair	23	26.1
Inability to sell the whole quantity at the fair	26	29.5
Presence of bargaining at the fair	5	5.7

The main reasons given include better prices, possibility of selling at farm gate, maturing of crops in between market days and the inability to sell the total quantities harvested at the rural market due to low demand. It is also evident from the table that some farmers seek alternative outlets due to longer distances to rural markets and also to avoid high costs of transport.

The high cost of transport is a constraining factor not only to farmers but also to other groups such as traders attending the market. In table 8 information is given on the distances travelled by sellers of produce (Farmers) and consumers.

The data indicates that 88% of the consumers and 74% of the sellers travel less than 4 miles to reach a market. *Thus, for the majority of producers and rural consumers, access to these markets is easier.* This is clearly evident from the fact that only 12% of producers and 5% of rural consumers interviewed had to travel more than 6 miles to reach the market. Of course, the number of producers who travel more than 6

miles is a little larger than the number of rural consumers who had to travel the same distance. This may be mainly due to the sellers' desire to take the produce to a neighbouring, relatively larger rural market by-passing the market in their own locality at which the large wholesale buyers may not be present.

Table 8. Distances Travelled to Market by Sellers of Produce(Farmers) and Consumers.

Distance (miles)	Produce (No.)	Sellers (%)	Consumers (No.)	(%)
0-2	61	41.7	92	56.8
2-4	47	32.2	50	30.9
4-6	21	14.4	12	7.4
over 6	17	11.7	8	4.9
	146	100.0	162	100.0

Although many rural markets in the Kurunegala district are located in close proximity, both to producers and rural consumers, the roads which connect the rural markets with interior villages are more often than not gravelled roads or mere foot paths. Some of them are poorly maintained and many other rural roads become non-motorable during the rainy season. Public transport(buses) is available only along a limited number of rural roads and here again the service is limited to a single bus which plies to the town and back several times (usually 3-4) a day. In the event of a breaksdown the villagers have to either walk, or ride a bicycle or hire a cart. The common modes of transport used by rural consumers are listed in table 9.

Table 9, Means of Transportation and Required Travel Time

Modes of Transport	Duration of travel (hours)					Total	
	0-.25	.25-.5	.5-1	1-1.5	1.5	No.	%
On foot	16	19	9	1	-	45	28
Bicycle	29	28	16	3	2	78	48
Bus	6	16	5	6	-	33	20
Bullock-cart	1	1	1	1	2	6	4
	52	64	31	1	4	162	100

It is shown that about 48% of the consumers interviewed came to market on bicycles and 28% on foot. It can be expected that women consumers travel either by bus or on foot. The number of consumers who travelled by bullock cart is very small and here again, they have used bullock carts to transport their produce to the market as well.

Table 10, gives information on the distances involved and required travel time to adjoining rural markets. Since the average distances involved is higher, the most common mode of transport is the bus. Only exception is Rajanganaya, where the most common mode of transport is the bullock cart.

In contrast many traders and producer-sellers use hired means of transport. These includes motor lorries, cars, 2 wheel tractors and carts. Some traders use buses and trains while producer-sellers use bicycles. Table 11 provides information on transport costs involved. There is no uniform basis for charging transport costs. One limitation in this information is the non-availability of data on transport costs per mile. When we exclude the possible extreme cases it is reasonable to assume that these charges are the total amount of transport costs for 8 - 10 miles, on an average. Viewed from this angle it is seen that average transport charges do not vary much from the rates charged in other areas. *However, the greatest difficulty reported by traders as well as produce sellers is that they are unable to find transport facilities when required.* On market days particularly when the quantity of merchandise is large many produce sellers complained that they are not allowed in buses. Under these circumstances they have to depend on motor lorries and carts at a higher cost.

As shown earlier rural markets form a very important source of supply of consumer necessities to a rural population. In this study an attempt was made to find the average amounts spent on such items by rural consumers and the results are presented in table 12. The composition of an average rural consumer basket is presented in this table. The main items of expenditure are vegetables, dry-provisions, dry-fish and

Table 10. Distance and Required Travel Time to Adjoining Rural Markets

Name of the fair	No. of adjoining farirs	Distance (miles)		Mode of Transport	Required travel time (Hours)	
		Average	Range		Average	Range (hrs)
Wariyapola	4	8.5	5-13	bus	.75	.5-1
Bammunukotuva	4	4.1	2.5-6	bus	.3	.25-.33
Kuliyapitiya	3	5.3	5-5.5	bus	.5	-
Horombawa	5	5.8	4-7	bus	.6	.5-.75
Munamaldeniya	4	4.8	4.5-5	bus	.3	.25-.33
Pannala	4	5	3-8	bus	.5	.25-.75
Giriulla	4	5.6	3.5-8	bus	.7	.5-1.25
Makandura	3	4	2-7	bus	.4	.25-.67
Boyawalana	2	5.3	5-5.5	bus	.5	-
Godawela	2	7	-	bus	.5	-
Weerambugedera	4	5.3	3.7	bus	.4	.25-.5
Uhumiya	5	6.2	5-8	bus	.7	.5-1
Dummalasuriya	3	6.6	4-8	bus	.6	.5-1
Weerapokuna	4	8.6	5-13	bus	1.75	1-2.5
Padiwela	4	8.3	5-13	bus	.75	.5-1
Bowatta	4	5.5	4-8	bus	.6	.5-.75
Kumbukwewa	6	8	3-10	bus	.75	.25-1
Kumbukgete	6	6.8	3-12	bus	.6	.25-.75
Ibbagamuwa	5	9.8	2-17	bus	.75	.25-1
Melsiripura	4	8.3	5-12	bus	1.1	.75-1.75
Moragollagama	6	15.1	9-21	bus	.8	.5-1
Galtenwewa	7	11.1	8-16	bus	.75	.5-1
Galgamuwa	6	10.6	8-18	bus	1.1	1-1.5
Rajanganaya Left Bank	4	7.5	3.12	bullock cart	4	1-4
Kobeygane	6	8	5-10	bus	2.4	.5-1.5
Nikaweratiya	6	10.2	5-16	bus	1.2	1-2
Maho	5	8.2	4-10	bus	.7	.33-1
Ambanpola	5	9.3	7-12	bus	.7	.5-.75
Hettipola	4	8.9	5-12	bus	.5	.33-2
Wetakayawa	4	4	2-6	bus	.5	.25-2

chewing ingredients. Fruits and fresh fish are rarely bought by consumers. The category called 'other' included, pottery, textiles, soap, toothpowder and sweets etc., It is seen that , the average amounts spent by consumers vary considerably, depending perhaps on their income levels, and also on the availability of other alternative but cheap or easily accessible outlets. The amounts spent by the respondents ranged from Rs.4/- to Rs. 120/- The poorest consumers' purchase was limited mostly to chewing ingredients. Many consumers whose purchase exceed

Table 11. Average Cost of Transport

Unit of Transport	Mode Of Transport: Whole / Retail Sellers						Farmer Sellers				
	Lorry	Bus	Cart	Car	2 wheel tractor	Train	Lorry	Bus	Cart	2 wheel tractor	Bicycle
Full load	170.45		14.00	40.00	-	-	46.50	-	22.00	40.00	-
1 Cwt.	3.25	0.60	7.75	-	10.00	16.90	3.50	0.70	4.00	8.00	
Textile bundle	7.00	3.00	-	-	-	-	-	-	-	-	-
Box	5.50	15.15 *	-	-	1.00	-	-	-	-	-	-
Betel stow	6.00	3.75	3.60	-	-	-	6.00	-	5.50	-	3.50
1000 arecanut	0.90	-	0.50	-	-	-	-	-	1.00	-	-
Rice gunny	-	-	2.25	-	-	-	-	-	-	-	-
Bunch of plantains	0.75	-	0.50	-	-	-	-	-	-	-	-
Gunny	5.15	3.80	4.25	-	-	-	6.25	1.73	3.75	-	-
Mile	-	-	-	-	-	-	-	-	3.75	-	-
1000 betel	-	-	-	-	-	-	0.67	0.05	0.65	-	-

* Extreme case

Rs.100/- had bought commodities coming under the category of others, such as textiles and pottery. The overall average of expenditure is in the range of Rs.30/-Rs.40/-.

From information provided by all consumers interviewed, it is seen that the rural market does not function as the sole source of supply for consumer necessities. The rural market share of total household expenditure on such items averaged from 42% to 48%. The balance was obtained from other sources of supply and this information is given in table 13. The main reason given by respondents varied with the type of outlets. In case of cooperative it was mainly the cheaper price and close proximity. Many consumers used the shops in town, either because the quantities bought from the market was inadequate for the whole week or because, they could purchase on credit from the known shops in town. Many were also of the opinion that

Table 12, Average Expenditure on Daily Necessities purchased at the Rural Market

Market	Average expenditure on total consumer basket	Dry provisions	Dry Fish	Fish	Chewing ingredients	Vegetables	Rice	Fruits	Others
1.Wariyapola	25.38 (12)	2.00 (6)	4.20 (I0)		6.10 (10)	13.53(12)	-	-	-
2.Bamunakatuwa	39.95 (16)	9.30 (10)	7.58 (12)	7.50(12)	8.29 (12)	7,28(16)	-	-	-
3.Kuliyapitiya	24.70 (9)	3.00 (4)	11.00 (6)	-	3.75 (6)	6.95(8)	-	-	-
4.Horombawa	19.41 (7)	2.50 (5)	8.00 (4)	-	4.13 (6)	4.78(6)	-	-	-
5.Pannala	28.13 (10)	4.80 (8)	7.15 (8)	5.00(4)	3.58 (8)	7.60(10)	-	-	-
6.Giriulla	26.57 (10)	9.50 (8)	4.37 (8)	-	1.25 (3)	9,95(9)	-	-	1.50 (4)
7.Boyawalana	12.55 (7)	4.00 (6)	3.00 (6)	-	-	4,05(7)	-	-	-
8.Godawela	12.59 (10)	2.00 (6)	6.00 (8)	-	-	4.59(10)	-	-	-
9.Dummalasuriya	58.89 (10)	9.90 (8)	11.75 (8)	-	3.59 (6)	13.15(8)	18.75 (4)	1.50 (6)	0.25 (7)
10.Weerapokuna	61.51 (10)	13.00 (10)	11.31 (8)	-	5.00 (5)	13,65(10)	11,40 (3)	2.25 (4)	4.90 (10)
11.Makandura	9.67 (8)	-	3,50 (5)	-	-	6.17(6)	-	-	-
12.Wetakayawa	44:42 (10)	5,07 (8)	4.67 (6)	3,88 (4)	1.25 (6)	5,48(10)	21,32 (7)	2.00 (3)	0.75 (4)
13.Kumbukwewa	31.28 (10)	5,13 (7)	3,38 (6)	6,00 (5)	7.20 (10)	9,57(10)	-	-	-
14.Kumbukgate	75.21 (9)	12,63 (8)	3.34 (6)	-	5.44 (8)	3.05(8)	18.75 (3)	-	32.00 (1)
15.Moragollagama	37.75 (10)	7,53 (10)	3,17 (8)	-	3.50 (8)	5.37(10)	-	-	18.18 (7)
16.Galtanwewa	48.39 (10)	7.03 (10)	2.44 (8)	-	7.22 (9)	6.20(10)	7.50 (3)	15.00 (2)	3.00 (6)
17.Galgamuwa	27.23 (9)	-	9.00 (4)	-	5.00 (6)	7.98(8)	-	-	5.25 (5)

Contd/....

(Table 12 continued)

Market	Total	Dry Provisions	Dry Fish	Fish	Chewing ingredients	Vegetables	Rice	Fruits	Others
18.Rajanganaya	44.04 (10)	9.00 (5)	4.00 (4)	-	6.75 (6)	5.54 (9)	-	-	18.75 (3)
19.Kobeigane	91.83 (9)	10.59 (7)	12.17 (6)	6.00 (4)	14.00 (7)	14.07 (7)	-	-	35.00 (2)
20.Malsiripura	27.34 (10)	4.42 (8)	10.63 (8)	-	4.25 (7)	7.29 (9)	-	-	0.75 (7)
21.Ambanpola	41.93 (10)	5.57 (8)	5.57 (8)	-	5.50 (5)	8.10 (8)	-	2.10 (3)	14.74 (6)
22.Maho	32.68 (10)	2.13 (6)	10.00 (7)	-	3.15 (6)	6.20 (8)	-	1.00 (2)	10.20 (4)
23.Moonamal-deniya	59.49 (8)	14.63 (4)	25.63 (4)	-	10.40 (7)	8.83 (8)	-	-	-
24.Hettipola	50.55 (11)	6.67 (8)	10.04 (10)	13.00 (5)	13.20 (8)	4.89 (10)	-	1.50 (3)	1.25 (7)
25.Padiwela	60.76 (10)	6.13 (8)	20.00 (8)	-	9.15 (10)	9.18 (10)	15.00 (3)	-	1.30 (5)
26.Bowatta	55.05 (10)	4.94 (7)	12.90 (8)	-	5.13 (7)	7.03 (8)	20.40 (4)	2.50 (2)	2.15 (5)
27.Weerambu-gedara	21.91 (10)	-	2.00 (6)	-	5.94 (7)	3.47 (10)	-	-	10.50 (4)
28.Uhumeeya	12.05 (10)	5.13 (6)	-	-	3.34 (10)	3.58 (10)	-	-	-
29.Ibbagamuwa	13.14 (10)	2.50 (8)	-	-	3.23 (8)	3.07 (10)	-	-	4.34 (6)
30.Melsiripura	29.34 (10)	2.13 (8)	2.67 (8)	2.75 (4)	6.64 (10)	2.85 (10)	10.67 (3)	-	1.63 (4)

Figures in brackets are number of observations.

although the price is cheaper in the rural market than the prevailing price in town, the traders in the market use short weights and measures. When ever, there is a marketing department sales centre available, consumers tend to go there mostly because of cheaper prices, although many are not satisfied with the quality particularly in case of vegetables. It is also interesting to note that some consumers are in the habit of purchasing part of their consumer necessities from a neighbouring rural market, when the quantities bought from his own market is not adequate for the whole week.

CHAPTER 4

OPERATIONS OF RURAL MARKETS IN THE KURUNEGALA DISTRICT

1. Physical Facilities

Earlier studies to which reference has already been made have commented on the fact that the physical facilities available at many rural markets are very poor, and the results of the present survey also confirm it. In table 14 a summary of available physical facilities is presented. It is clear that many rural markets do function without proper amenities whether they are managed by local government authorities or not. Out of 30 markets surveyed only 4 had permanent 'sheds' and another 8 had a mixture of permanent and temporary structures. Of the 8 private rural markets none had permanent structures for traders. In most markets even thatching the roofs of the temporary sheds are long over due. Floors of the sheds are rarely cemented.

The market areas are not cleaned properly, and most of them are not even fenced. During non market days the market area and the traders sheds become a resting place for stray dogs and cattle. Usually labourers are employed by the local government authorities, tenderers and owners to clean the market place on the day prior to the market day, but many traders complained of unhealthy sanitory conditions. A common problem in rainy season is that almost all the market premises get under water and once the water is drained what is left is a pool of mud, to the inconvenience of the patrons.

Out of 22 council managed rural markets 15 have toilet facilities and so has half of the 8 private markets. The non availability of water and the indifference of users have made these toilets unhygenic, and almost unusable. In the absence of seperate scavenging labourers, the task of cleaning these toilets is very often left undone.

50% of the markets surveyed had wells for drinking water . Here again many of these are unused either because the water is not clean

or because it is salty. Only 4 of the 30 markets are provided with electricity. In all other cases pressure lamps and lanterns are provided by the tenderers,owners or by the Local Government authority. Farmers and rural consumers are not affected by the non availability of electricity but the traders are very much inconvenienced.

Table 14 Availability of Market Facilities

Facilities	Local Government Authority			Private			
	No. of Fairs			No. of Fairs			
	Small	Large	Total	Small	Large	Total	Grand total
Total number	11	11	22	7	1	8	3o
Office	1	4	5	1	-	1	6
Traders shed (permanent structure)	5	7	12	-	-	-	12
Cattle shed	5	6	11	3	1	4	15
Tuck shop	2	2	4	2	1	3	7
Toilets	7	8	15	4	4	8	23
Stores	1	-	1	-	-	-	1
Drinking water	6	7	13	3	-	3	16
Weighing scale	-	1	1	-	-	-	1
Electricity	-	4	4	-	-	-	4
Watch hut	1	1	2	1	-	1	3
Bicycle shed	-	2	2	1	-	1	3

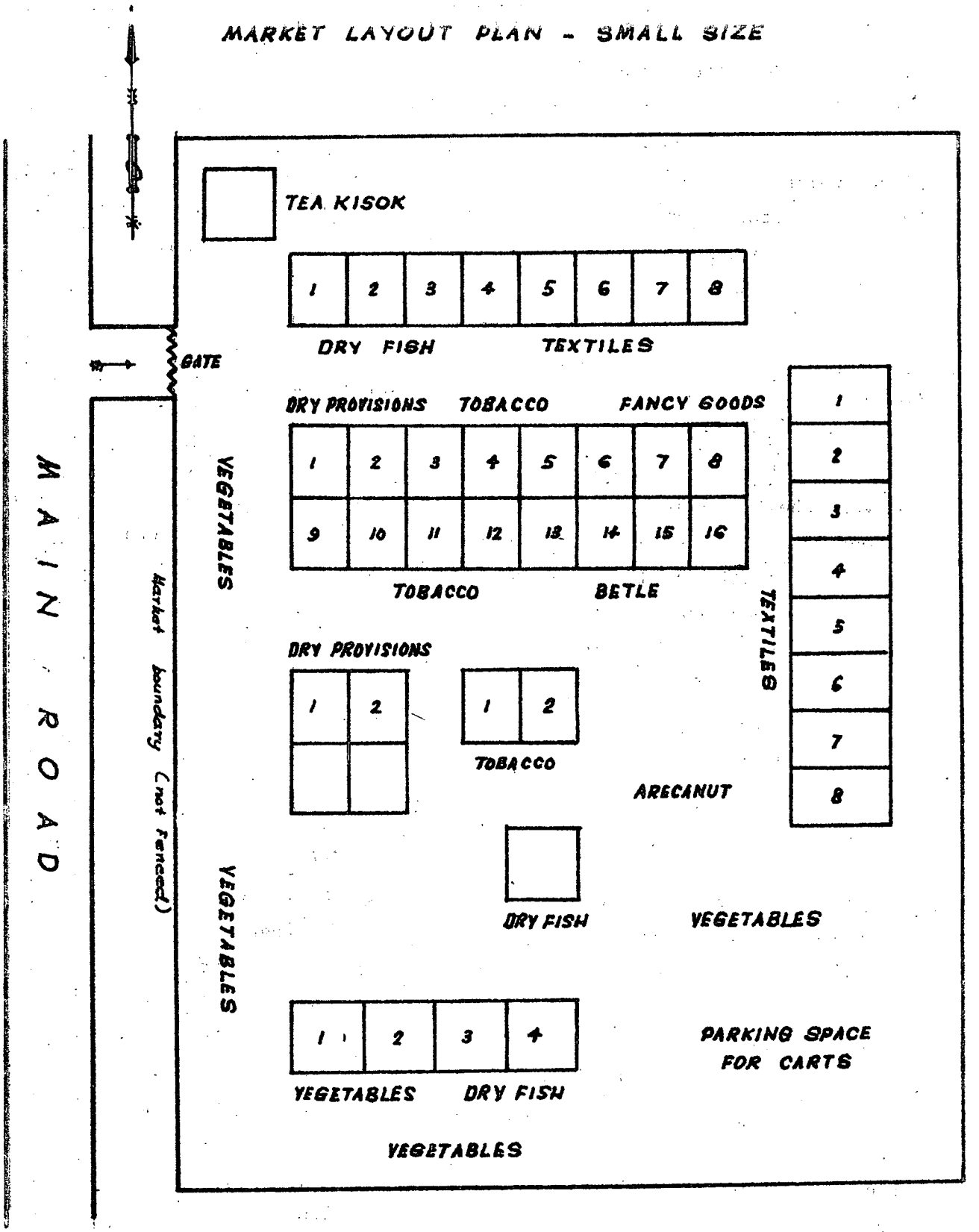
During the survey many complaints were received of loss of merchandise during the night. Only 7 markets have small tea kiosks, to provide breakfast and in some cases dinner usually for traders. Storage

facilities are virtually non-existent and so are the facilities for loading and unloading merchandise. A weighing scale had been provided only by one tenderer,the cooperative society of the area. Only 6 had places which could be identified as offices but are usually occupied by fee collectors. Half of the markets provided facilities for parking bicycles. Many Police Officers interviewed stressed the need for bicycle sheds, mainly to avoid thefts.

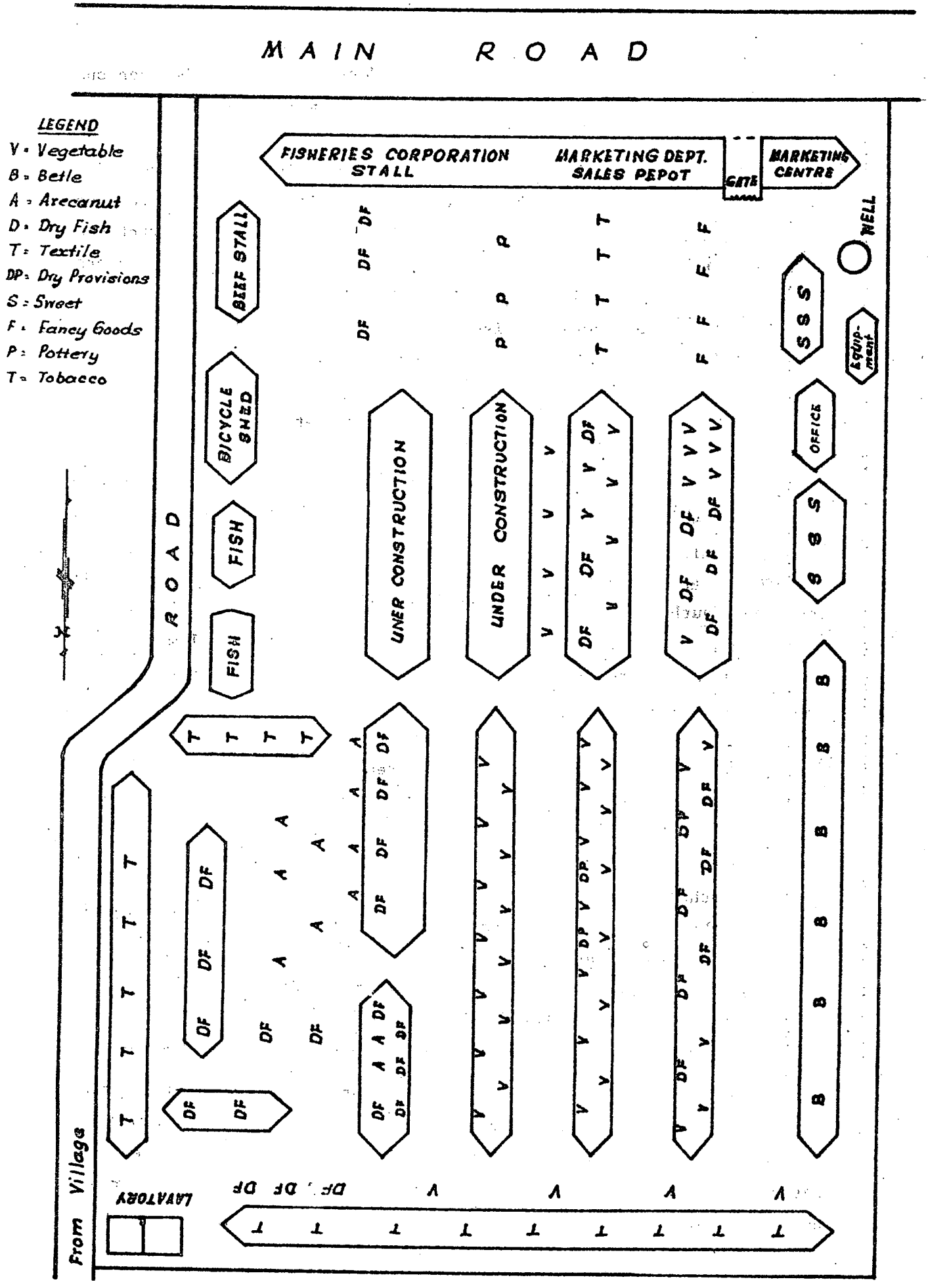
The size of the market area varies from little more than 3/4 of an acre to about 3 acres, a small market having about 1 acre and a larger market about 2½ acres. It was found that the entire area was not used in most smaller markets, the average percentage used being around 70%. However, the larger markets are generally congested, the average use percentage ranging between 120% - 160% of the available area. What was common to all markets under review was (both council owned and privately owned) that they did not have a sufficient number of trader sheds with enough space . On an average there were about 38 traders per 100 without sheds in a small market, and in larger markets it was about 57 per 100. The canteens too were small for the crowd, requiring at least double the present space.

Thus, the results of our survey confirms the general belief that rural markets are poorly served so far as physical facilities are concerned. The general market layout of the markets under present study surfaces the fact that the construction of trader sheds and other buildings is not well planned. They have usually been started with 2 or more temporary sheds lying parallel to each other. Most extension and improvement programmes have been carried out on an ad-hoc basis, and according to the availability of space. The permanent structures are put up at irregular intervals either to replace the existing temporary structures or as a part of the expansion schemes. The 4 markets which have permanent buildings only, refered to above, are the exceptions. Even in these cases, the traders' sheds had gained importance over the provision of many other complementary facilities such as paved market yards, loading and unloading platforms etc., In some cases the traders sheds are poorly sited so that many traders are reluctant to occupy those sheds inspite of their permanent nature.

MARKET LAYOUT PLAN - SMALL SIZE



MARKET LAYOUT PLAN - LARGE SIZE



Therefore, it was the practice of many traders to encroach the open space in between the rows of traders sheds in all the markets studied.

There are no supporting services such as grading, cleaning, drying and storage available in the markets studied, Cleaning and grading are done by the traders themselves whenever it is necessary . Only one market had a common weighing scale for the use of farmers and traders. The buyers themselves have to decide on the quality before making any purchase. Services are not available to disseminate the price information among farmers and consumers.

2. Supervisio n and Administration of Rural Markets

The establishement and conduct of rural markets are governed by local government ordinances and by-laws. The Local Government authority in the area , therefore is usually responsible for supervision and administration of rural markets. In addition to by-laws enacted by the respective Local Government authorities, rules and regulations made in the sphere of trade and commerce in the country are generally applicable to rural markets also. Regulations relating to price control and weights and measures form two such examples. The by-laws are usually made :

a) For the proper maintenance and improvement of public markets
b) For the imposition and recovery of rents for stalls and spaces
c) For the imposition and recovery of an annual fee for licences issued by the Local Government Authority to hold a private market
d) For the due performance of their duties by market-keepers,watchers and others employed in public markets
e) For the inspection of private markets
f) For the proper management,regulation and control of all private and public markets and for ensuring order, decency and cleanliness within the limits thereof.

It was found however, that these by-laws or other government regulations had limited effect on the operation of rural markets. They were more observed in breach, the reason being the indifference of the implementing agencies. Inadequacy of staff may also be a contributory factor for such developments.

About 75% of the rural markets studied were supervised and controlled by the local government authorities and rest by private individuals. However, out of the 22 rural markets owned by local government authorities 11 have been rented out mainly to private individuals. There were two cases of ad-hoc arrangements where council owned markets had been rented out to a cooperative and a branch committee of a political party. This situation clearly shows the lack of interests of the local councils with regard to the operation of rural markets. Many councils had preferred to rent out the rural markets in order to keep away from the 'troubles' of collection of fees, etc., When markets are rented out the council gets the rent at the begining of the year as a lump sum payment and from the point of view of the local council officials it is advantageous to them, in many ways.

a) The money that would have been paid for fee collectors as salaries is saved.
b) Under-reporting of amounts collected and other malpractices by fee collectors do not arise.
c) The money received in advance can be allocated more usefully, and
d) Maintenance of accounts takes a lesser time.

Thus, the general tendency is to rent out more rural markets by the local councils and to increase the minimum value of the tender annually.

The inadequacy of market staff is common in both council and privately owned markets. Table 15 summarises the information on the types of market staff available. For 9 markets totally run by local councils there are only 2 managers but there are 31 Fee Collectors, meaning 3-4 collectors per market. In contrast all private markets have one manager each who also performs the service of fee collection. However, the average number of labourers employed is surprisingly low, i.e. 36 for local council owned 22 markets and 4 for privately owned 8 markets. Even, here, the majority are employed part-time. It is seen that for many markets (21) there are no watchers. This gross staffing inadequacies perhaps could be a contributory factor for the poor maintenance situation of the markets, as described in earlier paragraphs.

Table 15. Marketing Staff

	Local Govt. Authority				Private			
	No. of Markets	No. of employees			No. of Markets	No. of employees		
		Full time	Part time	Total		Full time	Part time	Total
Manager	9	2	-	2	8	-	8	8
Fee collectors	9	8	23	31	8	-	-	-
Labourers	22	7	29	36	8	-	4	4
Watchers	22	3	4	7	8	-	2	2
Total	22	20	56	75	8	-	14	14

By examining the sources of payments to market staff it was found that there was no uniformity of sharing responsibilities between the local councils and contractors. Out of 36 labourers employed in council owned markets 9 were paid their salaries by the contractor. This implies that the cleaning of the market yard and its other physical facilities such as toilets in some cases have been considered the responsibility of the c ontractor, while in other cases responsibility was with t e local council. Another area of undefined responsibility is the general supervision. In many instances it was found that police officers both in uniforms and plain clothes were maintaining order and discipline in the market. They were also charged with the responsibility of checking malpractices such as the use of short weights and measures. Where such arrangements are not available the contractors and fee--collectors have to perform these functions but as a general rule they are busy with fee collection.

The nature of fee-collection at the market varies considerably among the markets. In smaller markets the contractor or the owner or his manager collects the fees from producer sellers and traders. In other cases the paid collectors are employed. Majority of producer-sellers interviewed had to pay their charges at the gate while the wholesale and retail sellers pay at the end of the market operations. In a few other cases it was reported that the fees are collected inside the market while operations were going on. Thus, there is no

Table 16.

Method of charging the fees

Method of charging fees	AMOUNTS PAID (Rs.)															
	Wholesale/Retail Sellers								Farmer Sellers							
	0-=/50	=/50-1/=	1-2/=	2-3/=	3-4/=	4-5/=	5/=	Total	0-=/50	=/50-1=	1-2/=	2-3/=	3-4/=	4-5/=	5/=	Total
Per Person	-	2	1	-	-	-	-	3	12	11	15	7	1	-	1	47
" Shed/Place	7	41	71	23	8	2	-	152	-	2	4	1	-	-	-	7
" Gunny	1	6	4	-	-	-	-	11	1	4	4	-	-	-	-	9
" C.W.T.	-	-	-	-	-	-	-	-	3	7	5	9	-	-	-	24
" Cart	-	-	-	-	-	-	1	1	-	-	-	-	-	-	1	1
" Betel Stow	1	-	-	-	-	-	-	1	-	-	-	4	-	-	-	4
" 1'000 betel	-	-	-	--	-	-	-	-	8	-	-	-	-	-	-	8
" 1'00 aricanuts	-	-	-	-	-	-	-	-	4	-	-	-	-	-	-	4
" Banana bunch	-	-	-	-	-	-	-	-	4	1	-	-	-	-	-	5
% of the value of goods sold	-	-	-	-	-	-	-	-	10	-	-	-	-	-	-	10

Table 17. Average Collection Per Day By Ownership and Size

	Small		Medium		Large		Total	
	No: reporting	Average Rs.	No. of reporting	Average Rs.	No. reporting	Average Rs.	No. reporting	Average Rs.
Local Govt. authority (owned)	2	33	3	230	4	1063	9	556
Local Govt. authority (Tendered)	2	80	3	150	7	650	12	430
Local Govt. authority (other arrangements)	1	25	-	-	-	-	1	25
Private	4	63	3	150	1	400	8	138
Total	9	56	9	177	12	767	30	376

Table 18. Average Collection Per Day On Peak By Ownership and Size

Ownership	Small		Medium		Large		Total	
	No. reporting	Average Rs.	No. reporting	Average Rs.	No. reporting	Average Rs.	No. reporting	Average Rs.
Local Govt. authority (owned)	2	46	3	262	4	1444	9	739
Local Govt. authority (tendered)	2	163	3	195	7	864	12	580
Local Govt. authority (other arrangements)	1	30	-	-	-	-	1	30
Private	4	85	3	188	1	500	8	176
Total	9	87	9	125	12	1027	30	502

uniform pattern of fee collection.

As indicated in Table 16, the basis of fee collection is also not uniform, and the charges are discriminatory.

Our investigations revealed that market charges paid by regular traders are usually lower than the amounts paid by others. It was also found that the fee-collectors had to bargain mostly with producers to collect the fee. The charges paid for traders sheds varied from market to market, depending on their size and the nature of the structure. Ten farmers interviewed said that they paid 4% - 10% of the value of the goods sold as market charges.

Table 17 provides information relating to average collection per market day by ownership and size. Out of 30 rural markets studied roughly about 1/3 had a daily average collection of Rs.56/-, ranging between Rs.25/- and Rs.80/-. Their annual average collection therefore has been little less than Rs.3,000/-. The 9 rural markets classified as medium in size had a daily average collection of Rs.177/- whereas the 12 larger markets had Rs.767/- as their average daily collection. It is interesting to note that largest 4 markets had an average collection of Rs.1,063/- per day thus receiving around Rs.55.000/- per year.

Seasonality of agricultural commodities should mark an increase in market charges during the glut season. It was found that 2 small markets reported an increase of little more than 100% in the charges collected over the average collection. In all other cases the increase ranged between 30%-40%. The amounts collected on peak days are given in table 18.

It was evident that only a small proportion of funds collected had been invested in improving market facilities in general. When the payments of salaries are excluded, the amounts spent on maintenance and other facilities have been only 1% in certain cases. Therefore, it is not surprising that profits ranging from 64% - 92% have been appropriated by the private individuals who own rural markets. In the same manner local councils have transferred amounts ranging from 70% to 97% to the

Table 19. Patterns of Utilization of Funds Collected as Fees

	Local Government Authority - owned			Private		
	Small %	Medium %	Large %	Small %	Medium %	Large %
Total amount	100	100	100	100	100	100
Maintenance	1	14	7	17	14	5
Salaries	2	17	3	18	5	1
Other facilities	-	-	7	-	1	*
Tax and Permits	-	-	-	1	*	2
Profit	-	-	-	64	80	92
Amount credited to general fund	91	69	83	-	-	-

* Percentages negligible

\#\# Including electiricity, water services and fencing

general fund. The results of this analysis are given in table 19.

3. Trading Practices

The price determination in the rural markets was examined closely during the present survey. *There is no auction system in operation and sales on commission basis is little known.* In case of agricultural commodities brought for sale by farmers, the prices are determined mostly through person to person bargaining. It was found that usually the traders bargaining power is greater than that of farmers. The main reason was not so much the illiteracy but lack of knowledge about on-going prices in main wholesale markets or in major consuming areas. However, the traders as well as farmers seem to have some idea of prices prevailing in neighbouring markets. The main sources of such information and their relative importance are shown in table 20.

The wholesale buyers obtained such information mainly through visiting the markets by themselves. 82% of the respondents received information

in this manner, In contrast only 25% of the Producer-sellers obtained information by visiting other markets. They received such information mostly from their fellow-producers visiting those markets. Therefore, it is logical that traders who buy agricultural produce from farmers have a greater knowledge of the on-going prices than the farmers, thus, strengthening their bargaining power over that of the farmers. Another important point is that the mere knowledge of prices at a neighbouring market does not help farmers very much, for many reasons. Amongst them the following stands more prominent;

Table 20 Awareness of Prices In Neighbouring Markets

Source of Information	Traders				Farmers			
	Buyers		Sellers		Sellers		Consumers	
	No:	%	No:	%	No:	%	No:	%
Number reported	130	100.0	165	100.0	146	100.0	69	100.0
Traders in the market	29	22.3	51	30.9	39	26.7	8	11.6
Visiting neighbouring markets	107	82.3	48	29.1	37	25.3	45	65.2
From neighbours/ or fellow traders attending other markets	-	-	50	30.3	71	48.6	66.6	
Sending own messengers to other markets	2	1.5	-	-	-	-	-	-

Percentages do not add up to 100 as some respondents reported more than one source.

a) *the price information received refers to the price prevailing in the previous market day, perhaps one week earlier, and at the next market day these prices could vary significantly. Thus, the transfer of produce from a low price market to a high price market will not always ensure higher returns to farmers.*

b) *the price information received is not grade specific. Thus, an individual farmer can not know for certain how much his own*

produce will fetch at that market.

c) *perishable items such as vegetables and fruits can not be kept untill the next market day, therefore, what ever amount is harvested and brought to the market has to be sold on the same day.*

Leaving aside the information on prices prevailing in other areas, it was found that there was no systematic way of disseminating information on prices prevailing in the same market. All the producers interviewed said that they did not know how much a fellow producer had been paid for the same product until both met together. They did not know how much they could have got from other traders for their commodities unless they bargained with all the traders, because price dissemination in the market was 100% through personal contact.

Table 21 Price Determination

Method	Wholesale retail buyers		Farmer buyers and consumers		Wholesale retail sellers		Farmer sellers	
	No:	%	No:	%	No:	%	No:	%
No, reporting	152	100.0	162	100.0	165	100.0	140	100.0
Price setting up by sellers	48	31.6	128	79.0	110	66.7	57	40.7
Price setting by buyers	32	21.1	-	-	-	-	15	10.7
Bargaining	88	57.9	56	34.6	56	33.9	74	52.9

Percentage do not add up to 100

Table 21 shows the common methods of price determination in the rural markets. The rural consumers, have to accept the price set mostly by sellers . 80% of the consumers interviewed said that their prices were determined by sellers. Wholesale and retail sellers have confirmed this. Around 34% of both groups of respondents have got their prices determined through bargaining. The situation differs when prices are determined for agricultural produce brought by farmers. About 53% of the farmers said their prices were determined through bargaining, while 11% had to accept the prices offered by their buyers. The fact that 41% had set the prices by themselves, may have resulted mainly from direct sales to consumers. However, it is also interesting that 32% of the wholesale and retail buyers said that they accepted the prices set by sellers. This category of sellers may not be real producers, but can be an intermediate group who resell the farm produce mainly to retailers.

The payments for goods sold and bought at rural markets were done almost 100% in ready cash. The survey results showed only 4% of the wholesalers and retailers bought on creidt, and less than 1% of the wholesale and retail sellers sold their merchandise on credit.

This information implies that farmers do not depend on wholesale buyers attending rural markets for credit, but through spot cash transactions the farmers realize their urgent cash needs at rural markets.

It is a common view that, in selecting a trader to sell his produce or to buy his necessities the producers in developing countries are also motivated by social considerations in addition to the economic reasons. The results of the present survey show only 24% of the farmers do business because of long patronage. Percentage of traders who buy mainly from acquaintances is also comparable with that of producers. (28%). Both groups seem to be more interested in prices and quality of the goods rather than social considerations such as goodwill, kinship, caste etc., The results are presented in table 22.

Table 22 Reasons for Selecting Buyers/Sellers

Reasons	Selection of farmers Wholesale/Retail traders		Selection of traders by Farmer sellers and consumers	
	No:	%	No:	%
Price	65	42.3	116	71.6
Quality	52	43.2	70	43.2
Known customer	43	28.3	39	24.1
No. of other sellers	2	1.3	-	-
Reasonable weights and measures	-	-	1	0.6
Not reported	13	8.6	11	6.8
Total	152	100.0	162	100.0

Table 23 shows what sellers do for the unsold merchandise. The majority of the farmers interviewed sold their produce below the market price when they could not dispose of the total quantities brought to the market. The next alternative for them was to sell to the boutique in the town or take it back home. The number of farmers who was compelled to throw away their produce was negligible. It was also found that less then 1% of the farmers took the unsold goods to other rural markets.

In this context, the traders had taken different measures. 75% of the traders interviewed took the unsold goods to other rural markets. However, the traders who handle perishable items try to dispose the largest quantity possible in the same market by lowering the prices, and some of them sell the remaining goods to the shops in the town particularly when the quantities are not adequate for transfer to another rural market.

Weighing and measurement procedures adopted by the traders and producer sellers merit consideration. *The observations made during the present survey revealed that weighing and measuring equipments used in rural markets rarely conform to the standards.* In one rural market for example the police had detected 122 cases of under weighing in 1978. It was also found that very often the traders keep the scales on their hands and while weighing they tip the scales in their favour.

Some smaller retailers who do not have weighing scales sell items such as vegetables and fruits in heaps on the guess-weight basis.

4. Extension Facilities and the Rural Markets

The role of rural markets is not limited to sale of agricultural produce and provision of consumer necessities. They also operate as centres of social interaction. However, the findings of the present survey reveals a declining trend in this aspect.

Table 23 Sellers Action Regarding Unsold Merchandise

Action	Wholesale/Retail Sellers		Farmer Sellers	
	No:	%	No:	%
Take home	47	35.6	9	7.3
Sell below market price	51	38.6	99	80.5
Sell to the boutiques in the town	2	1.5	-	15.4
Throw away	1	0.8	1	0.8
Take to other markets	99	75.0	-	0.8

Percentages do not add up to 100.

Roughly about 1% visits the market also for the purposes of entertainment, and about 2% to meet friends and relations as well. It is interesting to note that about 56% of the 308 farmers and rural consumers interviewed said that they went to the market only for sale of their produce and purchase of their consumption requirements. Some others have indicated that in addition to buying and/or selling, they couple their market day with other important needs, such as going for medical treatment, visit to hospitals and so on. Other needs include meeting of government officials, obtaining consumer items from cooperatives and transactions at the Bank. These are listed in table 24.

Table 24

Other reasons for coming to market, indicated by Rural Consumers and producers:

Reasons	No:	%
Total number of respondents	308	100.00
No other reason	173	56
For entertainment	3	0.6
To meet relations and friends	6	1.92
To meet the'Grama Sevaka'	8	2.56
To go to Hospital	16	5,12
To go to AGA's Office	5	1.60
To go to Police Station	2	0.64
To go to Cooperative	3	0.96
To go to Post Office	14	4.48
To go to Agriculture Service Centre	2	0.64
To go to Bank	3	0.96
To go to VC Office	4	1.28
To go to Barber Saloon	1	0.32

The table indicates the types of services required by the rural people within the close proximity to the market. An attempt was made during the present survey to find out what types of extension services are actually available within or outside the market and to ascertain what channels of communications are commonly adopted by various agencies in their extension programmes. The findings are summarised in table 25. *It is clear that the use of rural markets for extension activities has been surprisingly low.*

The Marketing Department of the Government of Sri Lanka had displayed posters in 4 places, the Cooperative Marketing Federation in 1 place and 'Salu Sala ' in 1 place. Public Address System has been used only by two agencies a cooperative society in one place and the National Lotteries Board in the other. Inter Personal Communication was mostly by the agricultural extension Officers (3 places) and the National Savings Bank (1 place) only. It can be argued that so far a serious attempt

has not been made by any agency to exploit the market places, as a potential source for the diffusion of information.

There may be several reasons for this situation. *Most agencies and institutions may have not realized the importance of these places for such activities. Some others may not use the market mainly due to lack of suitable places within the market premises even to stick a poster. Since some rural markets are held during the weekend and on Public Holidays, others may simply not get the opportunity even to experiment with such an exercise.*

Table 25. Available Services and Extension Methods

		Location					
		Within the Market			Out side the Market		
		CHANNEL OF COMMUNICATION					
	No.	Posters	Loud Speakers	Discussions	Posters	Loud Speakers	Discussions
Post Office	8	-	-	-	8	-	-
Local Govt. authority (V.C./U.C.)	7	-	-	-	7	-	-
A.G.A.Office	1	-	-	-	1	-	-
Agricultural Services centre	10	-	-	3	10	-	4
Cooperative	11	-	1	-	10	-	-
Rural Bank	7	-	-	-	7	-	-
People Bank	4	-	-	-	4	-	-
National Savings Bank	1	-	-	1	-	-	-
Marketing Dep.	10	4	-	-	6	-	-
Markfed	1	1	-	-	-	-	-
Salu Sala	1	1	-	-	-	-	-
Hospital	5	-	-	-	5	-	-
Maternity	3	-	-	-	2	-	1
P.H.I.	2	-	-	-	2	-	-
Grama Sevaka	1	-	-	-	1	-	-
Lotteries Board	1	-	1	-	-	-	-
Police	4	-	-	-	4	-	-

* This number includes only the agencies which has attempted to disseminate some useful information to their clients at least by way of a poster.

CHAPTER 5

PRICING EFFICIENCY AT RURAL MARKETS IN THE KURUNEGALA DISTRICT

Analysis of pricing efficiency usually allows conclusions to be reached on the nature of market structure provided that complementary analytical methods in other relevants aspects are also made use of .[1] Theoritically the markets are assumed to be competitive if,

a) *the difference in price between any given two time periods is equal the cost of carrying over the product from the first period to the second, i.e. Cost of storage.*

b) *the price difference between two markets does not exceed the transport costs, and*

c) *the price difference between the processed product and unprocessed product is equal to cost of processing.*[2]

a) **Price variation over time:**

Rural markets in Sri Lanka do not provide facilities for processing farm products and therefore item (c) listed above had to be ignored in the present exercise. As far as the analysis of temporal variation of prices is concerned the non-availability of reliable time series data on prices received and paid by producers at the rural markets, presented a serious restriction on a more rigorous analysis. Thus, the analysis of variation of prices over time had to be limited to,

i. The price variation of selected commodities at the same market day within a given market and

ii. The variation of prices from one market day to another (i.e. between two weeks)

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[1] Inadequacy of price analysis when used alone has been discussed in greater detail in the author's M.Sc thesis "Some critical Issues Relating to Agricultural Marketing in Developing Countries". University of Aberdeen 1976.

[2] For details " R.A.King - Product Markets and Farmers' response to changes in Prices and Incomes". In "Economic Development in Tropical Agriculture". edited by W.W.McPherson, University of Florida Press.

Table 26 (a)

Variation of Prices within the same market day in 20 rural markets in Kurunegala District

Market	VEGETABLES																	FRUITS			OTHER AGRICULTURAL	
	Knol khol	Capsicum	Green chillies	Cabbage	Kekiri	Drum sticks	Carrot	Cucumber	Tomato	Bitter gourds	Okra	Leeks	Beet root	Snake gourds	Luffa	Beans	Brinjals	Me	Red-dish	Pine-apple	Banana	Betel	Arecanut
Wariyapola	11.24	18.65	n.a.	12.56	28.26	27.56	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	11.71	15.71	20.52	9.58	19.60	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Bamunakotuwa	n.a.	n.a.	n.a.	n.a.	18.50	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	16.07	n.a.	n.a.	20.18	18.07	19.73	n.a.	n.a.	11.19	8.05
Kuliyapitiya	37.96	18.16	16.77	29.35	39.57	13.64	30.09	28.88	35.07	n.a.	21.21	16.11	23.66	2.79	18.19	6.79	33.35	15.27	15.54	7.20	00	n.a.	4.55
Horambawa	3.30	00	00	12.45	00	18.89	n.a.	3.51	8.85	24.46	0	n.a.	16.11	4.09	18.43	0	12.17	12.45	0	n.a.	n.a.	n.a.	0
Pannala	n.a.	11.07	n.a.	10.80	n.a.	8.81	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0	n.a.	6.09	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Giriulla	n.a.	n.a.	n.a.	9.76	n.a.	6.82	n.a.	n.a.	23.93	n.a.	16.24	n.a.	n.a.	n.a.	n.a.	6.12	11.81	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Boyawalana	16.67	n.a.	10.50	7.87	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	10.83	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Godawela	n.a.	n.a.	7.71	7.87	9.68	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	12.45	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Dummalasooriya	11.91	6.74	7.71	12.45	26.51	31.35	13.49	19.92	10.65	7.00	8.56	31.60	12.45	10.14	9.78	6.74	10.14	12.45	n.a.	n.a.	n.a.	11.91	1.41
Weerapokuna	n.a.	10.35	14.12	11.91	n.a.	n.a.	n.a.	1.0	10.35	n.a.	n.a.	n.a.	n.a.	10.14	n.a.	n.a.	n.a.	11.91	3.80	n.a.	0	n.a.	n.a.
Makandura	n.a.	34.70	n.a.	19.15	n.a.	n.a.	22.82	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	12.45	n.a.	31.67	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Wetakeyawa	n.a.	34.70	n.a.	12.45	n.a.	n.a.	21.07	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	12.45	n.a.	25.35	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Kumburuwewa	n.a.	n.a.	7.76	11.92	18.07	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	17.50	15.76	17.89	n.a.	n.a.	18.84	12.17	n.a.	n.a.	15.57	9.99
Kumbukgete	10.65	n.a.	16.11	10.14	20.00	n.a.	n.a.	n.a.	13.32	13.36	n.a.	n.a.	11.91	14.14	11.91	7.21	10.65	12.83	15.60	n.a.	n.a.	17.43	12.45
Moragollagama	18.26	11.13	8.88	12.17	21.37	8.94	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	17.89	14.29	13.28	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	13.72	4.43
Galtenwewa	n.a.	11.62	13.72	20.41	22.71	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	16.11	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	14.91	5.71
Galgamuwa	n.a.	4.88	18.00	15.59	n.a.	n.a.	6.45	17.64	n.a.	n.a.	n.a.	19.92	11.88	15.25	26.62	10.09	16.88	11.69	23.05	n.a.	n.a.	n.a.	n.a.
Rajanganaya	35.15	n.a.	14.38	31.75	21.38	32.68	19.79	n.a.	16.23	n.a.	n.a.	n.a.	26.01	40.70	31.58	n.a.	26.26	17.21	n.a.	n.a.	n.a.	n.a.	n.a.
Kobeigane	18.64	12.87	11.02	16.85	n.a.	0	7.04	n.a.	n.a.	n.a.	n.a.	8.43	9.96	n.a.	n.a.	13.62	35.02	24.76	n.a.	n.a.	n.a.	19.36	0
Nikaweratiya	19.33	13.23	12.14	15.16	13.40	23.91	n.a.	n.a.	11.88	n.a.	n.a.	11.79	12.07	n.a.	n.a.	15.00	n.a.	16.16	n.a.	n.a.	n.a.	14.28	13.15
Ambanpola	n.a.	0	0	n.a.	0	n.a.	n.a.	n.a.	10.53	n.a.	n.a.	n.a.	11.91	16.78	n.a.	n.a.	11.91	16.11	n.a.	n.a.	n.a.	n.a.	0
Mahê	n.a.	6.73	7.91	n.a.	13.62	n.a.	n.a.	n.a.	8.54	n.a.	n.a.	n.a.	19.03	21.65	n.a.	n.a.	19.03	14.08	n.a.	n.a.	n.a.	n.a.	11.01
Munamaldeniya	0	28.46	26.85	15.21	11.07	14.39	n.a.	0	n.a.	0	n.a.	n.a.	0	0	n.a.	0	9.78	0	15.21	n.a.	n.a.	n.a.	0
Hettipola	35.63	16.77	17.24	32.40	11.86	25.64	15.27	12.66	14.28	21.54	n.a.	13.14	n.a.	17.92	n.a.	11.67	21.41	17.49	n.a.	18.66	n.a.	9.58	0
Padawela	n.a.	18.38	n.a.	4.56	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	11.77	n.a.	n.a.	15.94	n.a.	n.a.	n.a.	n.a.	n.a.	0
Bowatta	n.a.	8.22	n.a.	5.13	n.a.	12.55	n.a.	n.a.	n.a.	n.a.	n.a.	7.21	n.a.	11.77	n.a.	n.a.	6.21	n.a.	n.a.	n.a.	12.83	n.a.	n.a.
Weerambugedera	n.a.	n.a.	n.a.	13.61	12.89	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	11.13	n.a.	n.a.	n.a.	n.a.	14.41	n.a.	n.a.
Uhumeeya	n.a.	n.a.	n.a.	13.49	15.94	n.a.	n.a.	21.37	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	12.78	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Ibbagamuwa	n.a.	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0	n.a.	n.a.	n.a.	11.92	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Melsiripura	n.a.	7.40	6.79	11.76	11.39	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	18.41	n.a.	n.a.	n.a.	9.32	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

1. If the co-efficient equals 0 it means, no variation of prices throughout the day.
2. Figures in parenthesis are number of observations.

Table 26(b) Variation of Prices within the same market day in 30 rural markets in Kurunegala District.

	Rice	Dry Provisions and other similar items							Dry Fish	
Market	Samba	Other	Dried Chillies	Pepper	Red Onions	Potato	Salaya	Karalla	Madu	Tuna
Wariyapola	4.89		0		15.62	7.69				0
Bamunakotuwa						0	5.29			
Kuliyapitiya	0	2.39	0	0	0	0	0	11.19	0	0
Horombawa			0		0	5.53	0		0	
Pannala			0				0	0		
Giriulla			0			0	0	0		
Boyawalana			0							
Godawela			2.32		0					
Dummalasooriya	0	0	0	0	7.71	5.34	2.06	4.56	0	
Weerapolina	3.11	2.95	0		0	8.81	4.08			
Makandura										
Wetakeyawa										
Kumbukwewa	2.92		0		0	4.86	5.00			
Kumbukgete	0		0		6.52	5.41	5.00			
Moragollagama			0		7.30	4.86	3.30			
Galtenwewa					7.21		3.30			
Galgamuwa										
Rajanganaya						5.58				
Kobeigane	3.16		0		16.40	8.52	0			
Nikaweratiya			0		5.38	8.40	5.52			
Ambanpola										
Maho										
Munamaldeniya		0	0	0	9.78	0			0	
Hettipola	0	0	0	0	7.13	4.74	0		0	
Padiwela	1.18	2.23	0	0	0	2.54	4.72			
Bowatta	1.12	1.29	2.33		0	0				
Weerambugedara			3.44		5.53	5.89	6.44			
Uhumeeya			0		4.07	6.17	3.53			3.56
Ibbagamuwa	2.92				0	0	0			
Melsiripura	2.92		0		0		0			

On the basis of price data collected during the present survey.

The co-efficient of variation of prices was calculated using the price information recorded by statistical investigators for the present survey at hourly intervals in each market day during the 4th week of September 1979.[1] The table 26 (a) provides percentage variations of perishable items, (vegetables, and fruits) and table 26 (b) those of relatively durable items such as rice, dry-provisions and dry-fish . In this analysis, it should be noted that if the co-efficient of variation of price of a given commodity equals 0, the price has remained stable during the whole day.

It is obvious from the two tables that, some commodities in the less perishable group included in table 26(b) exhibits little or no variation of prices within the same market day. The notable examples here are dried chillies, sprats, pepper and corriander. Commodities such as red onions, potatoe and dried fish (salaya) have shown moderate variation of prices resulting mainly from their semi-perishable nature and supply variations at national level. It is worth noting here that the traders of these commodity groups make use of the full'pola circuit' visiting 5-6 rural markets per week. Due to the semi-durable nature of these commodities such traders are not compelled to dispose of their unsold stocks at distress prices within the same market, as they are able to sell the goods at the neighbouring market following day or in another market two or three days later. In contrast, the vegetable and fruit sellers confront the average highest variability of prices in the same market day. This high degree of variation of prices result mainly from the perishable nature of the products. However, it is also interesting to note that the composition of the groups of traders also exerts some influence on this. *Farmers who bring perishable items for direct sales to consumers in the market might be compelled to sell their produce at distress prices at the end of each market day in the absence of alternative sales outlets. Most farmers, and market keepers confirmed that during the peak harvesting seasons farmers had to throw their produce away due to poor prices which at times did not cover the cost of harvesting and transporting.*

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[1] In view of the complexity of the problem it was decided to collect price information on the 10 most important commodities traded at each market representing the various groups of commodities transacted. Selection of commodities by individual investigators differed from each other depending on the types of commodities transacted at different markets resulting a larger than expected commodity coverage with reduced number of observations.

Co-efficient of variation of prices between the present week and the previous week

Table 27

Respondent Groups	Green Chillies	Capsicum	Nekiri	Luffa	Me(long Beans)	Brinjals	Snake Gourds	Drums Sticks	Beans	Beet root	Betel	Arecanut	Dried Chillies	Red Onions	Dry Fish (Salaya)
	(29)	(12)	(17)	(13)	(23)	(13)	(16)	(5)		(10)	(26)	(10)			
Producers	0.778041 (27)	0.243644 (22)	0.922163 (12)	0.962467 (3)	0.890584 (22)	0.939280 (17)	0.909264 (19)	0.828436 (28)	n.a (5)	0.920872 (12)	0.733098 (32)	0.658255 (14)	n.a.	n.a.	n.a.
Wholesale buyers	0.668414 (22)	0.780701 (19)	0.773140 (9)	1.000000 (5)	0.596837 (13)	0.823384 (14)	0.891411 (15)	0.913360 (14)	0.960665 (17)	0.550096 (27)	0.808258 (8)	0.766614 (12)	n.a. (15)	n.a. (12)	n.a. (11)
Retailers	0.486166 (49)	0.596590 (21)	0.337355 (15)	0.853394 (5)	0.464807 (6)	0.932309 (12)	0.776247 (27)	0.332273 (10)	0.617664 (7)	0.426100 (20)	0.951715 (57)	0.822233 (54)	0.964590 (33)	0.213106 (35)	0.301459 (22)
Consumers	0.278292	0.127996	0.591645	0.981269	0.994623	0.894306	0.795240	0.874016	0.846481	0.617479	0.628199	0.787558	0.827658	0.161442	0.721808

Table 28 Reasons for price variation by items between two weeks in September 1979

Items	REASONS												
	Wholesale/Retail buyers						Farmer buyers & Consumers						
	No. Reporting	Quality	Quantity	Bargaining	Seasonality	Weather	No. Reporting	Quality	Quantity	Bargaining	Competition of traders	Seasonality	Weather
Vegetables	78 100.0	32 41.0	51 65.4	14 17.9	13 16.7	1 1.0	83 100.0	31 37.4	50 60.2	7 8.4	1 1.2	15 18.1	1 1.2
Rice	-	-	-	-	-	-	5	3	2	-	-	-	-
Dry Provisions	5 100.0	2 40.0	2 40.0	1 20.0	-	-	12 100.0	6 50.0	5 41.7	1 8.3	-	-	-
Fish	-	-	-	-	-	-	1 100.0	1 100.0	-	-	-	-	-
Dry fish	1 100.0	1 100.0	-	-	-	-	32 100.0	29 90.6	2 6.3	-	1 3.1	-	-
Coconut	1 100.0	1 100.0	- -	-	1 100.0	-	6 100.0	- -	6 100.0	-	-	-	-
Betel	22 100.0	6 27.3	17 77.3	1 4.5	2 9.1	1 4.5	27 100.0	14 51.9	11 40.7	3 11.1	- -	1 3.7	-
Arecanuts	13 100.0	5 38.5	2 15.5	3 23.1	3 23.1	-	19 100.0	10 52.6	6 31.6	3 15.8	-	2 10.5	-
Tobacco	-	-	-	-	-	-	5 100.0	2 40.0	3 60.0	-	-	-	
Fruits	10 100.0	8 80.0	3 30.0	2 20.0	-	-							

In a similar manner, the small scale retailers who buy small quantities of vegetables from the producers during the early hours of the market day in order to re-sell to the consumers in the same market are also being compelled to sell their unsold stocks at distress sales prices. The pattern of variation of prices in the same market day varies among individual markets not only due to low demand, but also for supply variations resulting from limited number of traders attending the market and supply shortages due to poor weather conditions.

In table 27 an attempt has been made to ascertain how far do prices between the present week and the previous week vary for selected number of commodities on the basis of price information reported by different groups attending the market, namely producers, wholesale buyers, retailers and consumers. It is seen that prices of the current week have varied in close relation to previous week's prices. In all the cases studied this variation has occured by less than 10%. It is interesting to note that the qualitative evidence provided by all groups confined to this situation except in case of a few commodities like red-onions, (kekiri) cucumber, capsicum and green chillies. The reasons for such price variations were obtained from both groups of buyers (i.e. traders and rural consumers) and it was found that differences in quantities arriving at markets and their differences in quality account for most price variations. The results are summarised in table 28. The importance of bargaining is clearly seen in cases of vegetables, fruits, betel and arecanuts.

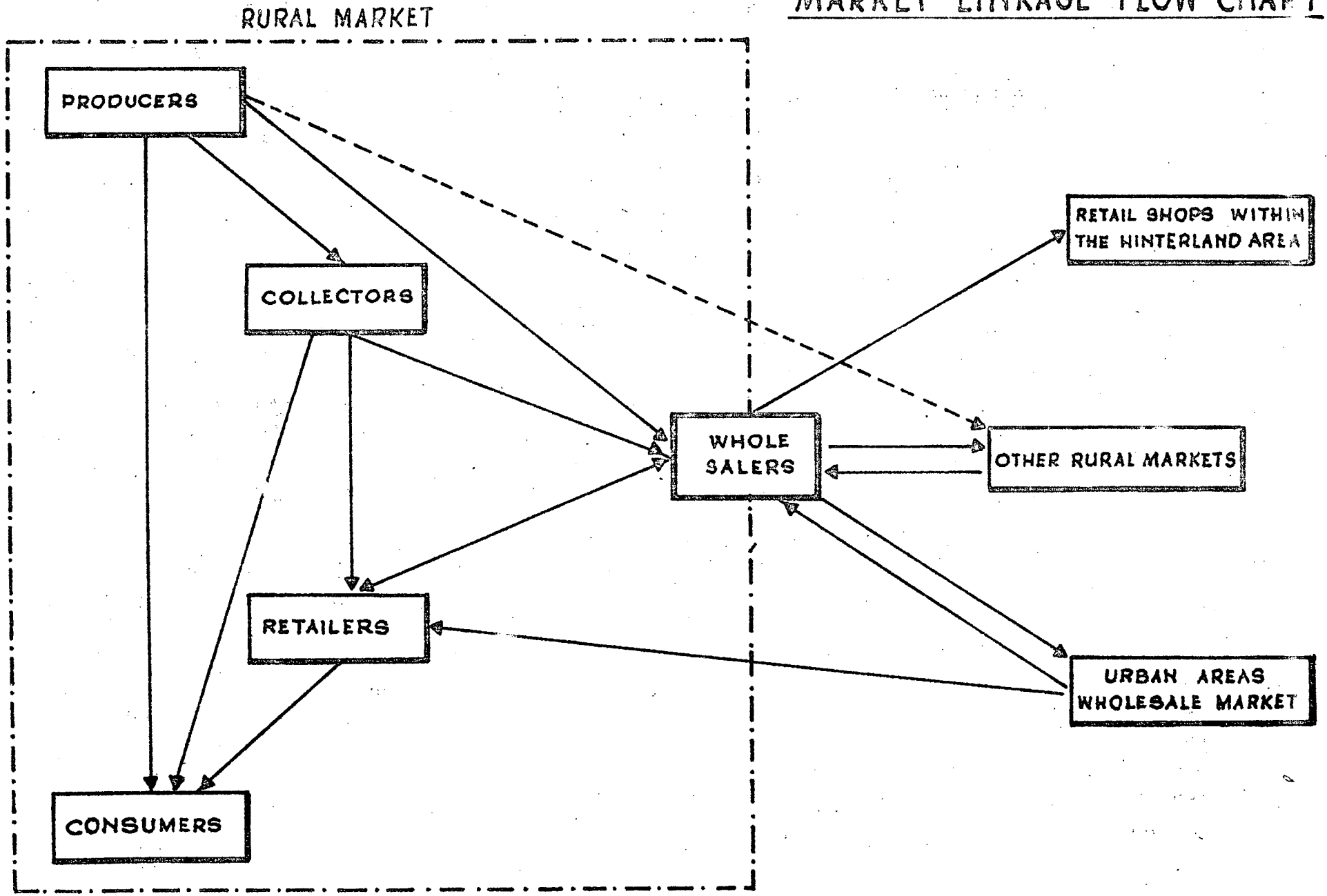
b) Spatial variation of prices

Analysis of spatial variation of prices is commonly used to determine the extent of inter-market integration of prices. If the correlation coefficient of price between two markets equals 1 then the two markets are assumed to be perfectly integrated. In otherwords if the price difference between any two markets for a given commodity is substantially greater than the cost of transportation, producers and/or traders will direct their supplies to the higher-priced market until the difference is brought down to equal the cost of transport. On the other hand if the correlation coefficient is significantly lower than 1, it is assumed that integration between the two markets is low, and prices at individual markets are determined according to the demand and supply conditions of individual markets.

	Wariyapola	Bammakotuwa	Kuliyapitiya	Horambawa	Pannala	Giriulla	Boyawalana	Godawela	Dummalasuriya	Weerapokuna	Makandura	Vatekeyawa	Kumbukwewa	Kumbukgete	Moragollagama	Galtenwewa	Galgamuwa	Rajanganaya	Kobaigane	Nikeweratiya	Ambanpola	Maho	[illegible]araldeniya	Hettipola	Padiwela	Dowatte	Weerambugedara	Uhumeiya	Ibbagamuwa	Melsiripura
Wariyapola		-0.430	[illegible] (11)	[illegible] (10)	0.934 (8)	[illegible] (5)	[illegible] (3)	[illegible] (3)	1.0 (2)	0.5 (3)	0.920 (7)	0.990 [illegible]	0.995 (7)	0.973 (7)	0.999 (5)	0.946 (9)	-1.0 (2)	[illegible] (4)	[illegible] (4)	0.944 (3)	0.998 (5)	0.597 (5)	1.0 (2)	[illegible] (3)	[illegible] (3)	0.995 (6)	[illegible] (7)	0.960 (7)	0.254 (4)	0.310 (4)
Bammakotuwa			0.373 (8)	0.980 (8)	0.999 (4)	0.996 (5)	0.739 (3)	1.0 (3)	1.0 (2)	0.5 (3)	0.922 (7)	0.998 (5)	0.950 (6)	0.974 (6)	0.998 (4)	0.920 (4)	0 (1)	-0.101 (3)	[illegible] (4)	0.981 (3)	-0.999 (3)	[illegible] (3)	1.0 (2)	1.0 (2)	0.997 (3)	[illegible] (5)	0.956 (7)	0.960 (7)	0.714 (3)	0.755 (3)
Kuliyapitiya				0.999 (16)	0.988 (9)	0.996 (6)	[illegible]	[illegible] (6)	0.990 (3)	1.0 (4)	[illegible] (12)	[illegible] (7)	[illegible] (7)	0.993 (7)	0.999 (9)	[illegible] (10)	[illegible] (3)	[illegible] (3)	0.962 (5)	[illegible] (4)	-0.101 (8)	[illegible] (8)	0.995 (3)	0.995 (4)	[illegible] (5)	[illegible]	[illegible] (9)	0.997 (9)	0.600 (5)	0.781 (6)
Horambawa					0.987 (8)	0.995 (6)	0.978 (4)	0.999 (4)	0.986 (4)	0.724 (5)	[illegible] (11)	0.998 (6)	0.993 (7)	0.998 (7)	0.997 (7)	[illegible] (8)	0.970 (3)	0.371 (3)	0.985 (5)	0.064 (4)	0.991 (7)	0.601 (7)	0.997 [illegible]	0.999 (3)	0.985 (5)	0.073 (8)	[illegible] (9)	0.865 (9)	0.529 (5)	0.774 (6)
Pannala						0.993 (6)	0.535 (4)	0.999 (3)	0.999 (3)	0.990 (3)	0.994 (7)	0.997 (6)	0.997 (5)	0.997 (5)	0.598 (5)	0.990 (6)	-	-0.912 (3)	1.0 (2)	[illegible] (3)	-0.287 (5)	[illegible] (4)	0 (1)	1.0 (2)	0.999 (3)	0.996 (5)	0.998 (3)	0.999 (3)	0.443 (3)	0.443 (3)
Giriulla							0.997 (3)	0.998 (3)	0.999 (3)	1.0 (3)	0.980 (6)	[illegible] (7)	0.998 (4)	0.998 (4)	0.999 (5)	0.995 (4)	-	-1.0 (2)	0.8	0.944 (3)	1.0 (2)	1.0 (2)	-	-	0.999 (3)	0.995 (5)	0.994 (4)	0.896 (4)	1.0 (2)	1.0 (2)
Boyawalana								0.999 (6)	1.0 (2)	- (1)	0.993 (5)	1.0 (3)	1.0 (2)	1.0 (2)	0.997 (5)	0.997 (5)	-	-	1.0 (2)	1.0 (2)	1.0 (2)	0 -E	1.0 (2)	1.0 (2)	1.0 (2)	1.0 (2)	0.999 (3)	0.999 (3)	-	1.0 (2)
Godawela									1.0 (2)	-	0.998 (4)	0.998 (3)	1.0 (2)	1.0 (2)	[illegible] (5)	[illegible] (5)	-	-	1.0 (2)	1.0 (2)	-1.0 (2)	1.0 (2)	1.0 (2)	1.0 (2)	1.0 (2)	1.0 (2)	0.999 (3)	0.999 (3)	0- 8	1.0 (2)
Dummalasuriya										0.983 (5)	0.986 (5)	0.987 (5)	0.985 (4)	0.977 (4)	[illegible]	[illegible] (4)	0.039 (3)	-	0.981 (3)	0.901 (3)	-1.0 (2)	-1.0 (2)	1.0 (2)	[illegible] (3)	0.977 (3)	0.980 (4)	0.978 (5)	0.982 (5)	0.969 (3)	0.685 (3)
Weerapokuna											0.964 (6)	0.994 (4)	0.978 (5)	0.998 (4)	1.0 (3)	[illegible] (4)	1.0 (2)	-	[illegible] (4)	0.968 (5)	1.0 (2)	-0.570 (3)	0.381 (3)	0.685 (3)	0.962 (5)	0.986 (4)	0.984 (4)	0.924 (4)	0.976 (4)	0.990 (4)
Makandura												0.999 (13)	0.976 (8)	0.969 (6)	0.998 (7)	0.996 (9)	-	-0.101 (3)	0.932 (5)	0.617 (5)	0.976 (6)	-0.255 [illegible]	1.0 (2)	0.987 (6)	0.953 (6)	0.936 (8)	0.979 (7)	0.885 (5)	0.981 (8)	0.965 (5)
Vatekeyawa													0.999 (5)	0.997 (5)	0.996 (6)	0.997 (5)	-1.0 (2)	-1.0 (2)	0.999 (3)	0.983 (4)	0.674 (4)	0.174 (4)	1.0 (2)	1.0 (2)	0.998 (5)	0.355 (5)	0.998 (5)	0.999 (5)	0.997 (4)	0.997 (4)
Kumbukwewa														0.999 (12)	[illegible] (8)	0.995 (7)	-	1.0 (3)	0.934 (4)	0.996 (3)	0.999 (3)	0.340 (3)	0.999 (5)	0.761 (6)	0.946 (5)	0.051 (7)	0.997 (7)	0.996 (7)	0.839 (3)	0.896 (3)
Kumbukgete															0.999 (8)	0.990 (7)	[illegible]	1.0 (3)	0.991 (4)	0.984 (3)	0.999 (3)	0.602 (3)	0.999 (5)	0.991 (5)	0.979 (5)	[illegible] (7)	0.994 (7)	0.994 (7)	0.802 (3)	0.866 (3)
Moragollagama																0.997 (9)	1.0 (2)	0.120 (3)	[illegible] (4)	0.937 (5)	0.946 (5)	0.923 (5)	0.998 [illegible]	0.999 [illegible]	[illegible]	0.992 [illegible]	[illegible]	0.995 (5)	0.945 (4)	0.988 (5)
Galtenwewa																	0.984 (4)	1.0 (2)	0.977 (5)	0.968 (4)	[illegible] (6)	[illegible] (5)	0.397 (5)	0.985 (6)	0.948 (5)	0.342 (6)	0.999 (5)	0.974 (5)	0.197 (3)	0.875 (4)
Galgamuwa																		1.0 (2)	1.0 (2)	1.0 (2)	0.757 (5)	0.922 (4)	1.0 (2)	-	[illegible] (3)	-	0.785 (3)	0.731 (3)	1.0 (2)	0.941 (3)
Rajanganaya																			-	1.0 (2)	[illegible] (3)	[illegible] (3)	-	-	-	0.195 (3)	-	-	-1.0 (2)	-1.0 (2)
Kobaigane																				[illegible] (4)	1.0 (3)	1.0 (3)	-1.0 (2)	1.0 (2)	0.998 (3)	[illegible]	[illegible]	0.949 (4)	0.564 (4)	0.721 (4)
Nikeweratiya																					1.0 (3)	[illegible] (5)	-	-	0.916 (3)	1.0 (2)	[illegible]	1.0 (2)	0.961 (4)	0.992 (4)
Ambanpola																						0.909 (6)	1.0 (2)	1.0 (2)	[illegible] (3)	[illegible] (5)	1.0 (2)	0.998 (3)	[illegible] (5)	0.966 (6)
Maho																							0.222 (3)	[illegible] (3)	0.257 (3)	[illegible] (5)	1.0 (2)	1.0 (2)	-0.671 (6)	-0.209 (7)
[illegible]aldeniya																								0.988 (9)	0.997 (3)	0.987 [illegible]	0.996 (3)	0.995 (3)	-	0.990 (3)
Hettipola																									1.0 (2)	0.971 (4)	-	1.0 (2)	-1.0 (2)	-1.0 (2)
Padiwela																										[illegible] (5)	[illegible] (6)	0.968 (6)	0.994 (3)	0.941 (3)
Dowatte																											[illegible] (5)	0.952 (5)	0.904 (4)	0.902 (4)
Weerambugedara																												0.999	0.864	0.746
Uhumeiya																													0.877	0.923
Ibbagamuwa																														0.963
Melsiripura																														

Table 8.9(a) Contd.) Correlation of Prices among the Rural Markets in Kurunegala District.

MARKET LINKAGE FLOW CHART



This is indicative of local monopolies, transport bottlenecks and lack of price information.

In table 29 (a) the correlation matrix of retail prices among the 30 markets covered by the present study is presented. It is highly interesting to note that about 90% of the markets studied are well integrated with each others. Notable exception here are, Maho, Rajanganaya and Weerapokuna. Rajangana and Weerapokuna markets are both catering to new settlements and hence the road transport network is poor. Although Maho is well served by rail roads it is poorly located in the road transport network. However, even these markets are well connected with the other markets in the same circuit, as well as with many markets outside its own circuit depending on the accessibility. *Nevertheless this general high level of intermarket integration is suggestive of high level of competition in the trade, particularly at retail level.* The market linkage flow-chart given overleaf shows the nature of the flow of commodities from and to rural markets. It shows how closely these rural markets are linked with each other, particularly those which are located in the same district. Since most rural markets are located at the centres along the road transport network, the transport of commodities from one market to another is greatly facilitated. In the same fashion an attempt was made to ascertain the degree of correlation of prices between the 30 rural markets studied with the nations main terminal market - Colombo, and the results are presented in table 29(b). Here again it was found that 26 out of 30 markets were well integrated with the Colombo market, the exceptions being Maho, Rajanganaya, Ibbagamuwa and Melsiripura.

The low level of integration of these markets with other rural markets in the district as well as with Colombo market deserves attention. The independent price determination process in these markets could result mainly from local monopolies or oligopolies, perhaps resulting from the practice of round-trips made by the traders. When examined in detail it was found that traders who belong to the 'pola ravuma' system pay lesser amounts as market charges compared with the amounts paid by traders attending the market irregularly. During the present survey it was also found that occupation of traders sheds has not been allowed to the latter group even when the usual occupant was absent on a particular day. The use of physical threats have also been revealed in some places to prevent

Table 30 Correlation between prices within the market and outside the market

Type	Commodity	Number of locations	Co-relation Co-efficient(r)
Vegetables	Capsicum	9	0.342928
	Green chillies	10	0.287085
	Tomatoes	8	0.875374
	Luffa	2	1.000000
	Beet	10	0.326453
	Kekiri	5	0.170000
	Cabbage	21	0.518848
	Drumsticks	6	0.863338
	Leeks	9	0.375593
	Carrot	5	0.225432
Rice	Samba	3	0.755929
	Large grains	3	1.000000
Dry provisions	Potatoes	8	0.396070
&	Red onions	15	0.419788
other items	Tea	5	0.952579
	Pepper	8	0.696381
	Corriandar	11	0.062256
	Mustard	3	0.832240
	Cumming seed	4	0.883452
	Goraka	4	0.832120
	Betel	7	0.926261
	Arecanut	8	0.796425
Dry fish	"Salaya"	16	0.631896
	"Madu"	8	0.930178
	Sprats	7	0.367478
Textiles	Local chints	16	0.838723
	Poplin	13	0.607385
	Pyjama sarongs	11	0.967702
	Polyesters	8	0.927126

new comers entering the market, though it is not widespread. The control of market activities by organised unwanted broker groups also have been observed in a few places. In some places it was found that a few wholesalers dominate the trade. They bring large quantities of produce, particularly vegetables and then sell to retailers or employ a number of people to sell their merchandise on commission basis. Thus, an apparently a large number of traders at a given market does not necessarily mean greater competition among them. Under these arrangements the retail prices tend to be uniform among all the sellers. *Thus, observations suggest that operations of at least a few rural markets approximate the model of price leadership pattern of oligopoly. However, this hypothesis has to be tested with the help of long term tendencies as the present analysis is based only on short-term considerations.*

(c) Effect of Rural Markets on other Market Outlets

It is generally believed that rural markets by serving as an alternative outlet for marketing and distribution induces competition to other trade channels such as village boutique keeper, itinerant traders and assembly agents. Thus, an attempt was made to examine the effect of rural markets on pricing rules of other marketing outlets outside the market. The results of this analysis is presented in table 30 . Prices that prevailed in rural markets and in other sources were also collected during the present survey, and this was supplemented with information provided to us by farmers and rural consumers regarding the prices they received and/or paid by/to other marketing outlets on non-market days.

It can be seen most vegetable prices remain unaffected . This is mainly because many rural market centres studied have only a few number of green grocers, enabling them to determine the prices quite independently during the non-market days . Potatoes, red-onions, pepper, small varieties of dry fish- corriander and clothes are among the other commodities whose prices in other outlets have shown little relationship with the prices prevailed at rural markets. This could be mainly due to the fact that many rural consumers are in the habit of purchasing the above mentioned commodities mostly from cooperatives whose prices bear little relation with open market prices but are fixed by the government from time to time. However, in the case of other commodities listed in table 31 the prices seem to be

Table 31 Average prices paid to producers by retailers and by wholesale buyers.

Commodity	Retailer buyers price per lb Rs. Cts.	Wholesale buyers price per lb Rs. Cts.	Difference Rs. Cts.
Betel (100)	1.80	2.10	0.30
Arecanuts (100)	7.50	5.00	2.50
Dry chillies	12.00	10.70	1.30
Red onions	2.10	1.70	0.40
Dry fish(small)	4.50	4.15	0.35
Capsicum	1.65	1.30	0.35
Green chillies	1.60	1.20	0.40
Kekiri	0.35	0.20	0.15
Luffa	0.62	0.70	0.08
Me (long beans)	0.95	0.70	0.25
Brinjals	1.00	1.00	0.00
Snake gourds	0.55	0.40	0.15
Drum sticks	0.50	0.35	0.15
Beans	1.70	1.30	0.40
Beet	1.10	0.85	0.25

highly correlated with the rural market prices. *Therefore, it is evident that effect of rural market prices on prices of other marketing outlets is not that great, as has been expected, particularly on non-market days.* Perhaps they may have exerted some influence on market days, but information is not available to examine this hypothesis further.

(d) Producer prices and price spread

When the prices received by producers from wholesale buyers and retail buyers were compared it was found that retailers who purchased farm products to be sold within the same market have paid higher prices than their wholesale counterparts who transported the produce to other areas. In table 31, the prices paid by retail and wholesale buyers and the difference between the two are given for number of selected items. The difference is greater in case of arecanuts and dried chillies. Only in two cases, namely betel and luffa, the retailers have paid lesser than the wholesale buyer . Even here, the wholesalers may have paid higher prices for better quality items particularly in case of betel or they may have paid higher prices due to the limited quantities of produce arrived in the market.

The usual higher prices paid by retailers could be explained in terms of quantities transacted. Since the retailers buy in small quantities producers may not allow discounts from their expected prices as they themselves can sell it direct to the consumers. When the quantities are large the producers may find it difficult to dispose the whole lot to consumers within the same market day and therefore they may prefer to sell the whole lot at a lower price. Another reason is that as the number of whole sale buyers present in a particular market is very few, their bargaining power can be greater than that of producers.

Due to the availability of retail buyers, another interesting feature which emerges from this analysis is that contrary to the widely held belief producers share of the consumer rupee is generally much higher than the composite share absorbed by the marketing functionaries in the rural markets studied.

Table 32 shows the average price spread of a selected group of commodities

Table 32 Price spread at periodic rural markets in Kurunegala District

From 05-09-1979 to 05-10-1979

Items	Average Prices			Average Marketing Margin		Producers' Share of the
	Producers	Retailers	Consumers	Wholesale	Retail	consumer Rupee
Green chillies	1.15	1.60	1.65	.45	.05	0.07
Capcicum	1.40	1.65	1.75	.25	.10	0.80
Kekiri	0.25	0.35	0.40	.10	.05	0.63
Luffa	0.60	0.60	0.85	-	0.25	0.71
Me	0.70	0.95	1.00	.25	.05	0.70
Brinjals	0.90	1.00	1.15	.10	.15	0.78
Snake gourds	0.40	0.55	0.65	.15	.10	0.62
Drum stick	0.25	0.50	0.55	.25	.05	0.45
Beet	0.90	1.10	1.20	.20	.10	0.75
Arecanuts	4.50	7.50	7.60	3.00	.10	0.59
Dry chillies	-	10.70	12.00	-	1.30	-
Red onions	-	1.70	2.10	-	.40	-
Dry fish	-	4.15	4.50	-	.35	-

at the markets studied. It can be seen that in general a higher per unit margin is accruing to wholesalers, compared with the margins kept by the retailers. The relatively lower margin of the retailers can be explained by the large number of retailers present in each market. This also could be due to the higher prices paid by them to the producers.

The higher share of the producers' however is only seasonal. This is because as a general rule marketing margins tend to decrease when consumer prices are high in the off season and increase when producer prices are low at the peak harvesting season. At times, it was found that low margins are more than adequately compensated by short weights and measures. Our observations have revealed that such practices are common in many rural markets. During the last year alone the police detected on an average about 22 cases of such unfair trade practices per market studied.

In conclusion, the foregoing analysis suggests in spite of a few exceptions, most rural markets studied here are sufficiently competitive than often thought. Such a competition could be strengthened if proper supervision, management and control of market activities are provided.

CHAPTER 6

MAJOR PROBLEMS AND RECOMMENDATIONS

Rodger has defined marketing as "the primary management function which organises and directs the aggregate of business activities involved in converting consumer purchasing power into effective demand for a product and in moving the product to the final consumer, so as to achieve a net profit."[1] This definition suggests that the farmers "rather than try to sell whatever happens to have been produced should produce what can be sold".[2] Most of our farmers sell whatever happens to have been produced. It is always after harvesting the crop that many farmers realise the problems of selling. Their production plans seem to be less flexible due to many factors such as climate, rainfall pattern, soil type, knowledge, and resource constraints. Thus, many farmers in Sri Lanka operate at subsistence level, and have small surpluses to sell, and their production plans are conditioned by family consumption requirements.

As discussed in earlier chapters, the periodic rural market system is being utilised mostly by these smaller farmers as an important outlet for disposing their produce and for purchasing their consumption requirements. Rural markets operate with other complementary outlets such as the cooperatives, marketing department, village boutiques, itinerant traders and visiting traders. It has been found that the share of rural markets in total sales vary depending on the type of agricultural produce. Their importanc e is more marked in the sales of vegetables, fruits, betel and arecanuts. The main consumer items supplied by these markets include vegetables, chewing ingredients, dry fish and dry provisions.

Our analysis has clearly shown, that although there are many deficiencies in the activities of rural markets, they have been effective enough to induce competition to existing marketing outlets in the rural areas. It is not by restricting the competition but by increasing the number of

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1. L.W. Rodger - "Marketing in a Comparative Economy".
2. E.M. Carpenter. "Marketing and the Farmer". in Marketing Management in Agriculture". Edited by D.K.Bateman - Aberystwyth. 1972.

outlets and thereby inducing more competition among marketing outlets, that greater efficiencies in marketing can be achieved. The farmers as well as consumers benefit from increased competition. It is true that minimum price legislations, and government and co-operative procurement and distribution programmes are of great help for increased production, but such programmes cannot possibly handle all marketable surpluses of agricultural produce in the country, and provide all farm inputs and consumer requirements. Experience has shown that such attempts have ended up with inefficient procurement and distribution systems entrenched with inappropriate formalities, thus, causing inconvenience, both to the producers and the consumers. Therefore, it becomes necessary to facilitate competition between private and government marketing firms.

In this context rural markets do have a role to play, and the strengthning of facilities and regulation of activities in rural markets will bring about substantial benefits to small farmers and rural consumers.

The problems identified during the present survey have been given in greater details in chapter 4. They can be classified under five broad areas namely supervision and administration, physical facilities, supporting services, pricing efficiency, market structure and trading practices and manpower development.

a) Supervision, Administration and Organisation of Rural Markets

The present survey clearly highlights the lack of proper administration, organisation and supervision of rural markets. It was found that many owners of private rural markets were not interested in improving the conditions of the rural markets, while many local councils have allowed tenderers to look after the general supervision and organisational aspects. At times the roles expected to be played by various agencies were not clearly defined .There was a marked lac k of effective legislation, particularly to direct the market operations even the available legislations were not properly adhered to.

The crux of the whole problem here centres on the question. Which is the most suitable agency for supervision and administration of rural markets? One suggestion made by traders, farmers as well as the informed sources of

the areas studied, such as A.G.A.s the Heads of schools, the O.I.C.s of Police Stations etc., was that all rural markets should be acquired by the local government authorities. However, such measures were not proved to be successful in the past. There was also another suggestion to abolish the tender system and renting all rural markets to private individuals, thus, converting the markets to 'public markets' in the real sense, with better administration and management. The only market which was found to be managed by a multipurpose cooperative society has demonstrated success over many others, and perhaps this could also show the direction of the desired change. Whichever agency is entrusted with these important functions such as supervision and management, it should be powerful and effective enough to control and direct the market activities properly.

For proper control and management, there should be better institutional support, at which legislative support stands as more important. Regulations on establishment, conduct and closure down of rural markets should be reviewed and changed where necessary. What needs urgent attention is not the framing of new laws but the implementation of existing regulations. Adequate staff has to be provided to prevent trade abuses and to check whether the commodities traded conform to sanitary regulations.

Perhaps it will become necessary to close down some of the available but unviable rural markets. In some cases the necessity may arise to change the market day. Such rationalisation is necessary because there are some rural markets which do not attract a sufficient number of traders and it was found that prices at those places for agricultural products were generally low due to low demand. In fact not only traders but even farmers and consumers tend to bypass such markets.

Arrangements to keep law and order in the market, and to eliminate theft and other abuses have to be provided. Proper control of occupation of pavements by traders and a proper system of fee-collection are also needed.

b) Physical Facilities

The gross inadequacy of physical facilities at most rural markets was discussed in chapter 4. Areas which warrant immediate consideration are given below.

I) Market area: In many cases market areas are inadequate to accommodate the users and merchandise entering the markets. Sufficient parking space for lorries, carts, and bicycles are also required. It is necessary to provide spacious market areas, with easy access. A wall, or at least a barbed wire fence with a sufficient number of gates can provide protection. Some markets do not have proper access roads. The market areas should be paved with suitable materials, such as cement, tar or gravel.

II) Market lay out: In many markets the patterns of market layout is not satisfactory. Adequate space is not provided between rows of traders' sheds. Allocation of space for various commodities should be done in a more meaningful manner. Occupation of pathways in between the traders sheds has to be prevented. There should be a separate section reserved for wholesale business with adequate facilities.

III) Building: Buildings available at present, particularly traders' sheds are inadequate. Repairs to some of them are long overdue. It is better if provision can be made for an adequate number of permanent buildings of suitable design.

IV) Other facilities: Supply of water, electricity, drainage facilities, canteens and sanitary facilities can greatly relieve the users from inconveniences experienced by them at present.

c) Supporting Services

Common weighing and measuring equipments should be kept in the office for use by farmers and traders. Perhaps some storage and warehousing facilities may help traders of bulky items, such as pottery. Transport facilities provided at present on market days are not sufficient and it is necessary to increase the number of buses plying on these days.

There are many other physical and supporting facilities that can be included in the above lists. However, this would mean heavy capital investment either to be borne by owners, local government authorities or the central government.

At the present cost of building materials and cost of labour in the construction industry the amounts collected as market fees even in the largest 4 markets, seem grossly insufficient to make available these facilities. Thus, contributions from the Central Government would become extremely important. Perhaps, the central government may have to seek possible assistance from foreign donor agencies to improve the conditions of the complex rural market network scattered throughout the island.

The high cost of construction and improvement poses another problem. If this means increased charges for market stalls or traders'sheds, then these overhead costs will come down on consumers and farmers, implying higher prices for the consumer and low prices for the farmer. This may reduce customers at rural markets and some traders would be forced to start alternative 'open air markets'. This tendency has been observed in urban areas. Thus the fixation of rent has to be done carefully so as to avoid these tendencies.

d) Trading Practices and Pricing Efficiencies.

It is the non-competitive nature of the wholesale trade that mostly affects prices received by farmers, in many rural markets. Such an imperfect competitive structure of the markets emerges from lack of competition from government agencies and cooperatives and also from low attendance of wholesale traders due to high cost of transport resulting perhaps from transport monopolies. Where the Cooperatives and Marketing Department were involved, their mere presence alone had brought beneficial effects to producers although the activities of such institutions were very limited.

Another feature identified was the presence of groups of unwanted brokers, who at times happened to control the wholesale trade within the markets at their will. Trade abuses were also found to be common at rural markets.

Thus, it may be useful, if government agencies, Cooperatives or other Farmer Organisations are encouraged to intervene in wholesale and retail business wherever possible to make the competition among traders workable. Perhaps, some form of licencing of brokers and other intermediaries by the supervising agencies, may help the rationalisition of the chain of intermediaries. To avoid trade abuses, greater supervision should be

exercised. Meanwhile it may also be useful to provide the intermediaries with some identification tags to be worn while involved in business, so that any affected party can identify the trader properly. Some arrangements have to be made to collect and display price information.

e) Manpower Problems and Training

Inadequacy of market staff was found to be one of the most acute problems of rural markets. This inadequacy was found to be common to all grades and types of staff, from the general management to the level of sanitary labourer. On the otherhand payments for such staff was very low. It is therefore necessary to draw up a suitable manpower development programme to cater to the needs of the rural markets. A market manager with a sufficient training on general management, an inspector of weights and measures, a maintenance and sanitary superintendent, are amongst the most required management level staff. Under their supervision and management each unit has to be provided with adequate supporting staff.

Annex 1.

RURAL MARKETS IN KURUNEGALA DISTRICT

Local Government	Agro ecological zone	Place of the market	Days of the market
1.Polgahawela u.c	I.L.	Godawela*	Wednesday & Saturday
2.Alawwa v.c.	I.L.	Boyawalana* Alawwa	Sunday Tuesday & Friday
3.Nikaweratiya v.c.	I.L	land belongs to v.c. of Nikawera-tiya	Wednesday & Thursday
4.Dambadeniya v.c.	I.L	Dambadeniya	Monday
5.Udubaddawa v.c.	I.L	Udubaddawa Welipannagahamula	Tuesday Wednesday
6.Kurunegala m.c	I.L	Kurunegala	Wednesday, Saturday Sunday
7.Polpitigama v.c.	I.L	Galtenwewa*	Friday
8.Murutange v.c	I.L	Wewagama	Tuesday
9.Gokarella v.c.	I.L	Melsiripura* Gokarella	Sunday Friday
10.Deegalla v.c		-	-
11.Ambanpola v.c.	D.L	Ambanpola*	Monday
12.Balalla v.c.	I.L I.L	Nagollagama Balalla	Friday Sunday
13.Thiragandahaya East v.c.		-	-
14.Dodangaslanda v.c.	I.L	Katupilagolla	Friday
15.Ehetuwewa v.c.	D.L	Kathnoruwa	Sunday
16.Galgamuwa v.c.	D.L.	Galgamuwa* Migalewa	Tuesday Sunday
17.Hamangalla v.c.	I.L I.L I.L	Giriulla Bopitiya Andigamawatta	Wednesday Friday Sunday
18.Wariyapola v.c.	I.L	Wariyapola*	Sunday
19.Hiripitiya v.c.	I.L	Hiripitiya	Sunday
20.Horombawa v.c.	I.L	Katupota	Monday
21.Ibbagamuwa v.c.	I.L	Ibbagamuwa*	Thursday
22.Kalugamuwa v.c.	W.L.	Weerabugedara*	Thursday
23.Rambadagalla v.c.	I.L	Katupilagolla	Sunday
24.Kobeigane v.c.	I.L	Kobeigane*	Tuesday Wednesday
25.Kumbukwewa v.c.	I.L I.L	Kubukgate* Kumbukwewa*	Monday Wednesday

Local Government	Agro ecological zone	Place of the market	Days of the market
26.Madahapola v.c.	I.L	Galatabadiwewa	Wednesday
27.Mahananneriya v.c.	D.L.	Mahananneriya	Wednesday
	D.L.	Giribawa	Thursday
	D.L.	Warawewa	Friday
	D.L.	Rajangana left bank track 3 4	Saturday
	D.L.	Rajangana left bank track 3	Wednesday
28.Maho v.c.	I.L	Maho	Saturday
29.Makadura v.c.	I.L	Makadura*	Sunday
	I.L	Welpalla	Tuesday
	I.L	Wetakeyawa*	Thursday
30.Malwanegedera	I.L	Munamaldeniya*	Friday
31.Kudagalboda v.c.	I.L	Maspotawatta	Sunday
32.Nathagane v.c.	I.L	Hidawa	Friday
	I.L	Leenigiriya	Wednesday
	I.L	Dampitiya	Monday
	I.L	Mahakeliya	Thursday
	I.L	Bamunukotuwa*	Friday
33.Moragollagama v.c.	D.L	Moragollagama*	Monday
34.Pannala v.c.	I.L	Pannala*	Saturday
	I.L	Yakwila	Sunday
	I.L	Kadanegedera	Saturday
35.Piduma v.c.	I.L	Kithalawa	Wednesday
36.Pilassa v.c.	-	Mawathagama	Sunday
37.Pothuhera v.c.	I.L	Uhumeeya*	Sunday
	I.L	Pothuhera	Monday
38.Tarana v.c.	I.L	Padiwela*	Monday
39.Wellawa v.c.	I.L	Wellawa	Saturday
40.Narammala u.c	I.L	Narammala	Sunday
41.Kulipitiya T.c	I.L	Kulipitiya*	from Wednesday & Thursday
42.Kanoogama v.c.	I.L	Ma-wee-ela	Sunday
	I.L	Kirimatiyawa	Tuesday
43.Hettipola v.c.	I.L	Hettipola	Saturday
	I.L	Bandarakoswatta	Tuesday
44.Dummalasooriya v.c.	I.L	Dummalasooriya*	Saturday-Sunday
	I.L	Wilattawa	Saturday-Sunday
	I.L	Horombawa*	Saturday
45.Bingiriya v.c.	I.L	Bowatta*	Sunday
	I.L	Weerapokuna*	Monday

* Rural markets covered in the present survey.

Source: Regional Asst. Commissioner of Local Govt. Kurunegala.