

ORGANIZED RETAILING IN FRESH FRUIT AND VEGETABLE MARKETING IN INDIA: EMERGING MODELS, KEY ISSUES AND WAY FORWARD

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Organized retailing in Fresh Fruits and Vegetables (FFV) is gaining a lot of momentum in India with huge investment by leading Indian corporations in this area. Modern formats of supermarkets such as Reliance Fresh, Choupal Fresh, Food World, etc. promoted by different companies are emerging very rapidly in small and large towns around the country. Two of the major players in the supermarket sector in the country are Reliance Industries and Bharti-Walmart tie up. Other key players include ITC, Food World (JV of RPG Group of India and Dairy Farm International based in Hong Kong), Spencer, Godrej, Pantaloon (Big Bazaar and Food Bazaar), Subhiksha and Aditya Birla Group.

From the development perspective, literature review of the evolution of supermarkets in other developing countries suggests that these changes have strong implications for the small and marginal farmers. Experiences of these countries suggest that the development efforts in this area are based on three grounds: First, farmers associated with the modern value chains earn higher returns than selling to the traditional markets. Second, the modern supply chains have specific quality requirements which are easier to meet by the large and medium farmers and the small farmers tend to get left out of these markets. Third, there are several successful examples of linking small farmers to these modern value chains with effort from government agencies, NGOs and development agencies. This knowledge presents strong grounds for a closer look at the emerging sector in India.

In the light of the ongoing changes in India, the objective of this study was to get a good understanding of the emerging changes at the ground level. Specific objectives are:

- i) Understand the emerging models in organized sector – what are the backward and forward linkages that have emerged?
 - ii) Understand the issue faced by these organizations in setting up the supply chains
 - iii) Understand the implications of these changes for the stakeholders – small and marginal farmers and traders in wholesale markets
 - iv) Identify areas of intervention by government and donor agencies
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