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## Constraints and Opportunities in Paddy Value Chain in Andhra Pradesh, India – Linking Small Rural Producers to Urban Consumers

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### Abstract

Rice is one of the most important food crops grown in India. During last 4 years there has been an abrupt increase in the price of paddy affecting the purchasing power of middle and lower middle class consumers. Rice being the staple food of Andhra Pradesh, it is of utmost importance to analyze the way it is produced, marketed and the role of different actors in this chain. This study mainly focuses on the trends and issues from farmer to consumer throwing light on the price margins of different actors involved in the total paddy value chain. Levy systems, role of millers, government agencies, civil supplies and other alternative systems of procurement of paddy are studied. Along with these issues, a major area of concern is the problems and issues involved with production of paddy with respect to power supply, irrigation, and increase in cost of cultivation, fall in net incomes, mechanization, irrigation, labour issues, input usage, credit and marketing. This paper clearly brings an understanding on the whole dynamics involved in the production process without compromising the food security aspect. The study also researches on the sustainability of the paddy production by small farmers when the net income accounting to a meager amount of INR 1000 per acre. The study also researches for alternative system of marketing and compares the farmer share in traditional marketing of paddy and in the alternative system.

**Keywords:** Food security, marketing, paddy, sustainability