RURAL ENTREPRENEURSHIP THROUGH ‘RPSE’ (RURAL PROCUREMENT AND SUPPLY ENTERPRISE) MODEL

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Abstract
Unemployment remained as a biggest challenge for India, especially unemployment among rural educated youth. Rural entrepreneurship has the potential to reduce unemployment, to reduce poverty and increase food security. Though governments have tried out various schemes for generating employment such government initiatives are not on their own capable of enabling rural educated youth to earn adequately and improve their conditions. Enabling rural educated youth to think positively, creatively and Entrepreneurship purposefully is essential for the development of rural areas. Young people with such perspective and with the help of rightly channelized efforts would usher in an era of rural entrepreneurship. Rural entrepreneurs should not only set up enterprises in rural areas but should be also using rural produce as raw material and employing rural people in their production processes. Rural entrepreneurship is, in essence, that entrepreneurship which ensures value addition to rural resources in rural areas engaging largely rural human resources. In other words, this means that finished products are produced in rural areas out of resources obtained in rural areas by largely rural people. Rural procurement and supply Enterprise outlet (RPSE) is a typical Rural Retail Hub! “A centrally located facility with a business management structure facilitating the aggregation, storage, processing, distribution and marketing of locally/regionally produced agro-products.” RPSE is an independent organization established in rural area run by rural educated youths guided by experts, also act as entrepreneurship development centre, through proper training and business orientation develops rural youths into rural entrepreneurs, viz., rural procurement entrepreneurs (RPEs) and rural supply entrepreneurs (RSEs).

Keywords: Rural entrepreneurship, procurement and supply, unemployment, Retailing, food inflation,

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INTRODUCTION
Unemployment remained as a biggest challenge for India. Especially unemployment among rural educated youth is so critical. The reason is rural youth though they are educated but not skilled like urban youths. For them employment means only government jobs. As government has cost cutting strategy to reduce public expenditure and budget deficit there are no much recruitment is happening in government sector therefore not much scope for government jobs for rural unemployed youths. As Indian agriculture has been intervened by lot of technological advancements labor requirement in agriculture is decreasing and rural educated youth also not willing to work for agriculture. Basically rural youths are not educated in skill oriented courses like engineering or medical etc because these courses are not affordable for them so most of the rural youths are graduating with non-technical courses. So, rural youths who were graduated other than technical area think that they neither fit for agriculture nor industrial labor; they remain unemployed expecting government jobs. Self employment in non-agriculture activities is only the way for rural educated youth to become employed. So there is a big need of developing rural educated youths into entrepreneurs. The rural entrepreneurship is only the solution for unemployment in young rural India. Rural entrepreneurship has the potential to reduce unemployment, to reduce poverty and increase food security.

Though governments have tried out various schemes for generating employment in the rural areas such government initiatives have not helped rural educated youth lot. This is because such government initiatives are not on their own capable of enabling rural educated youth to earn adequately and improve their conditions. There has to be some committed enterprising individual or a group of people who should be capable of making use of the government policies and schemes for the betterment of rural educated youth. Some individuals who happen to be youth leaders and rural youth associations and who are committed to the cause of the rural people can be catalytic agents for development. Therefore, much more needs to be done to rural educated youth to become self employed or entrepreneurs. Despite all the inadequacies in rural areas one should assess their strengths and build on them to make rural areas places of opportunities. This is much to do with the way one sees the reality of the rural areas. The way a survivor or a job seeker would see things would be certainly different from those who would like to do something worthwhile and are ready to go through a difficult path to achieve their goals. Enabling rural educated youths to think positively, creatively and Entrepreneurship purposefully are essential for the development of rural areas. Young people with such perspective and
with the help of rightly channelized efforts would usher in an era of rural entrepreneurship. In India successful rural entrepreneurs would solve many of the chronic problems within a short time.
To promote rural educated youth who would take to rural entrepreneurship in utmost earnestness and sincerity is to ensure rural development. Rural entrepreneurs should not only set up enterprises in rural areas but should also be using rural produce as raw material and employing rural people in their production processes. Rural entrepreneurship is, in essence, that entrepreneurship which ensures value addition to rural resources in rural areas engaging largely rural human resources. In other words, this means that finished products are produced in rural areas out of resources obtained in rural areas by largely rural people.

**Constraints of Potential Rural educated youths and Development Inputs**

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<thead>
<tr>
<th>Sr. No.</th>
<th>Constraints</th>
<th>Inputs</th>
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<tbody>
<tr>
<td>1.</td>
<td>Low self-image and confidence.</td>
<td>Motivational inputs, unfreezing and experience sharing by successful local entrepreneurs.</td>
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<td>2.</td>
<td>No faith on others includes friends.</td>
<td>Group building experiences and activities.</td>
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<td>3.</td>
<td>No exposure to industry/business.</td>
<td>Field visits to factories and big markets and interaction with various rural entrepreneurs.</td>
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<td>4.</td>
<td>Who to contact for starting a venture, what formalities and procedures are to be followed?</td>
<td>Information inputs on procedures and formalities and creating awareness about supportive government institutions and schemes.</td>
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<td>5.</td>
<td>How to know whether the identified business is a viable and sound proposition?</td>
<td>Opportunity identification and guidance by the experts.</td>
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<td>6.</td>
<td>How to know whether the identified business is a viable and sound proposition?</td>
<td>Market survey, project report/business plan preparation.</td>
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<td>7.</td>
<td>How does one carry out bank operations?</td>
<td>Training in simple banking procedures like filling up deposit and withdrawal slip and bank operations etc.</td>
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<td>8.</td>
<td>How to manage the business?</td>
<td>Basic management orientation through Simulation exercises.</td>
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<td>9.</td>
<td>How to read and write accounts?</td>
<td>Functional and numerical literacy. Simple accounting in terms of writing income and expenditure</td>
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<td>10.</td>
<td>Almost no technical skills</td>
<td>Technical training (on-the-job training).</td>
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**RETAIL INDUSTRY**

India’s retail sector is wearing new clothes and with a three-year compounded annual growth rate of 46.64%, retail is the fastest growing sector in the Indian economy. Traditional markets are making way for new formats such as departmental stores, hypermarkets, supermarkets and specialty stores. Western-style malls have begun appearing in metros and second-rung cities alike, introducing the Indian consumer to an unparalleled shopping experience. Over the past few years, the retail sales in India are hovering around 33-35% of GDP as compared to around 20% in the US. The last few years witnessed immense growth by this sector, the key drivers being changing consumer profile and demographics, increase in the number of international brands available in the Indian market, economic implications of the Government increasing urbanization, credit availability, improvement in the infrastructure, increasing investments in technology and real estate building a world class shopping environment for the consumers. In order to keep pace with the increasing demand, there has been a hectic activity in terms of entry of international labels, expansion plans, and focus on technology, operations and processes.

International retailers see India as the last retailing frontier left as the China’s retail sector is becoming saturated. However, the Indian Government restrictions on the FDI are creating ripples among the international players like Wal-Mart, Tesco and many other retail giants struggling to enter Indian markets. The sector is the largest source of employment after agriculture, and has deep penetration into rural India generating more than 10% of India’s GDP. Modern retail industry has tremendous potential to generate direct and indirect employment. The NABARD study has
forecast employment potential at 1.88 lakh persons directly in 2020, with huge indirect employment generation down the chain. As Retail industry is most attractive in India and entry into retailing is little easier compare to any other industries. Rural youths can initially choose retail business mainly focusing on rural procurement and supply.

ORIGIN OF THE PROBLEM
India is severely facing food inflation. Everyone is suffering from the burden of rising prices. When it comes to groceries other than staples, local sourcing from the nearby wholesale market is adopted by every retailer. All such products suffer a mark-up of 25 -30%, so as to absorb the cost structure. Thus, in many sub-categories, the price levels of organised retailers are much above unorganised retailers and more than the wholesale prices by as much as 25 – 30%. Though organised retailers have a small share in the overall food retailing, price set by some organised retailers are taken as benchmark by not only other organised food retailers but also unorganised retailers. Therefore, food prices are soaring; all essential items like vegetables, oil, milk, sugar are getting costlier. It is because of the India’s agro products’ marketing is characterized by: Fragmentation of the supply chain, Concentration of market power with the wholesalers, Existence of large number of intermediaries, little or no quality control, Absence of standards, Lack of product innovation, Small volume for transactions and Low inventories etc. This food inflation can be overcome by eliminating unnecessary intermediaries by replacing them through RPSE model. RPSE does direct marketing through RPEs and RSEs and reduce cost.

A.Fragmentation of supply chain: There are no established national or regional level supply chain management systems to help the agro produce reach the customers without damage or delay. These are the causes for inefficiency of supply chain and proper marketing of fresh fruits, vegetables and agro based food products in India. In India, despite emergence of food retail chains, which are expected to overcome above issues, the penetration into rural market is very limited. The marketing arrangement in the form of rural retail chain is expected to reduce the market risks and transaction cost of farmers and help them in breaking away from the clutches of traditional brokers/ wholesalers/ commission agents. Direct supply from farmers to retailers/end users will allow the rural retail chain to simultaneously increase control over production quality, supply reliability and price stability. In this view, there is much scope for rural youths to develop supply chain system through RPSE which help them to become rural entrepreneurs.

B.Concentration of market power with the wholesalers: Though the India is self sufficient in production of agro products, it is unable to control food inflation. The strange truth behind this lacuna is that despite of strategic market interventions in the form of APMC (agricultural produce market committee), support price etc., the market power for agro products is vested with a few traditional middlemen and wholesalers, commission agents etc. APMC miserably failed in protecting the interest of farmers. Implementation of RPSE which is established and run by rural youths can eliminate all these problems and ensure better price for farmers and consumers as well.

C.Little or no quality control: Since the supply of agro commodities and fresh fruits and vegetables is in a fragmented manner with absolutely no inputs from the markets, the farmers produce these products with no defined quality specifications. Therefore fresh fruits and vegetables arrive at the market in its raw form with very little quality control or grading etc. This leads to lower price realization and also exploitation by the middle men. Since RPSE established in rural areas this act as guidance cell and provides required education to farmers about quality.

D.Absence of standards: As the produce from the fields land in the market directly, there are no standards observed either during production, during harvesting or during post harvesting. Fresh vegetables, including greens are hardly sorted, graded or properly packed. They all land in crude bamboo baskets using traditional intelligence like keeping smaller fruits or vegetables in the bottom and the bigger fruits or vegetables on the top. In short there are no standards either specified or followed. There is a strong need to have standards for fresh fruits and vegetables. RPSE will put an effort to bring in the need for such standards, which are more local in its content and relevance.

E.Lack of product innovation: As the farmers are not in any way connected with the markets, currently, the farmers are in no knowledge of what the market needs or wants. An RPSE can get to know the needs or wants of customers, guide farmers through RPEs and RSEs about possibility of innovations that can be brought into pre harvesting and post harvest activities.

F.Small volume for transactions: Due to the fragmentation of farmers land the production is less. Hence they cannot carry their produce to the market because the transportation cost will be more and results in getting low return. Whereas RPSE procure all the rural produces from all the farmers and supply directly to retailers or end users by that it saves cost and time.

The above mentioned, stresses on the point that, the existing system unless focuses on the organised retailing including: Branding, Scientific pricing, Packaging, Pre and post- sales services, along with a strong network of Organised Rural Retail chain, it would be impossible for the producers and consumers to be self sustainable. Organised Rural Retailing will reduce the gap between formers’ selling price and final consumers’ buying price. The farmers are not getting good price for their produce due to menace of intermediaries who gains more profit. The Procurement and Supply Enterprise (RPSE) will procure the produce directly from the farmers with remunerative price and value added with scientific, handling, storage, packaging and grading. The commodities are branded and sold to the consumers in the retail outlets.
which fetch better price, in turn the farmers and retailers will be in win-win situation. A proper supply chain model needed to reduce the transportation cost and post harvest losses. This is possible through development of rural entrepreneurship by establishing RPSEs in rural India.

OBJECTIVES OF RPSE MODEL
So there is need for proper flow of produce to the consumers this is an opportunity for rural educated youth as well. RPSE Model will help the rural people who are facing marketing problems for their produce due to various reasons. We have come up with RPSE model as the solution for existing problems related to rural marketing and rural unemployment.

The RPSE model helps in various areas like:
1) Rural procurement and supply enterprise (RPSE) model transforms the rural unemployed youths into home-grown entrepreneurs, this generates employment opportunities for rural youths and minimise the menace by intermediaries. Farmers and consumers will get fair price.
2) Rural procurement and supply enterprise (RPSE) function like rural hubs for procurement of agro produces and supply directly to retailers or end users in rural and urban areas.
3) Growth in local sourcing – Key to the success of RPSE is local sourcing this will utilise resources effectively and provide employment opportunities for rural unemployed youths.
4) Price reduction and Inflation tempering – RPSE can bring down consumer prices and temper food inflation. Stronger consumer value proposition. From customer point of view it makes strong sense for opening up organised retailing, customers will get value for money. Direct procurement of agro-products by RPSE from farmers will not only result in farmer realizing better share of consumer spending but also will reduced cost to the consumers.
5) Rural procurement and supply outlets (RPSE) Model creates Value addition by scientific handling, storing, packaging and grading system of agriculture commodities for retail outlets. This will help to get better price for the retailers and farmers and consumers (win-win situation) and mainly helps reduce in post harvest losses and transportation cost for farmers. The post harvest losses are more in agricultural commodities due to practice of traditional method of handling, storing and packaging. The farmers are getting low profit due to ignorance of grading; intermediaries are taking advantage of this. With proper grading and packaging the agro-products can be sold at better price there by retailers may assure farmers better procurement price.

RURAL PROCUREMENT AND SUPPLY (RPSE) MODEL
The rural procurement and supply (RPSE) model (network) is similar to hub and spoke model which is a system of connections arranged like a chariot wheel, in which all Rural Procurement Entrepreneurs (RPEs) and Rural Supply Entrepreneurs (RSEs) (spokes) connected to the RPSE (hub) at the center. The advantages and limitations of hub and spoke model are also associated with RPSE model. RPSE is a typical Rural Retail Hub! “A centrally located facility with a business management structure facilitating the aggregation, storage, processing, distribution and marketing of locally/regionally produced agro-products.” The target markets for RPSE includes Rural Retail enterprise (RPSE), Urban Retail Outlets (UROs), restaurants, hostels and grocery stores — which tend to have a hard time buying local products in the desired volumes. RPSE are providing a means for local producers to connect directly to retail consumers. RPSE is an independent organization run by rural educated youths. There are many registered or unregistered rural youth associations (sanghas) in villages. These rural youth associations presently organizing some events like festivals, village games etc. There is huge potential in these village rural youth associations and act as opinion leaders in villages. Through proper training and business orientation these associations can be transformed into rural entrepreneurs. RPSE centre can be established in rural area, where, five to six surrounding villages are well connected to the centre and average distance from RPSE centre must be less than 5 kilo-meters and villagers can easily access to trade at RPSE. Some of the ways RPSE can increase their success, and thus continue to expand their role in promoting rural home-grown entrepreneurs, rural retailing and local foods.

Rural Entrepreneurship Development & Providing Access to Local Food Markets: A primary role of a RPSE is to facilitate Rural Entrepreneurship Development, since there is huge growth potential in rural retailing and corporate retailers may not enter rural market share easily in short span of time. Therefore, rural entrepreneurs should utilize this opportunity before big corporate retail chains capture it. It is possible only through organized efforts to establish and nurturing rural entrepreneurs by organizations like RPSE. And the another primary role of a RPSE is providing market access for agro and rural producers who address market outlets (RROs & UROs) that would otherwise be less accessible or completely inaccessible due to scale or location of the food production with respect to the market outlet. The successful RPSE regularly can provide consumers, access to a larger number of local food providers than they could access individually. RPSE usually provide greater delivery reliability than can be obtained through purchasing from many small producers acting independently.
FUNCTIONS OF RPSE
RPSE function by fulfilling a variety of tasks, including:
1. Rural Entrepreneurship Development;
2. Market access for local/rural producers;
3. Information sharing on food production and marketing practices;
4. Product transportation and distribution;
5. Product bundling and aggregation, grading, sorting and cleaning;
6. Maintaining a consumer/producer connection;
7. Season extension for local product sales;
8. Producer-oriented technical assistance; and
9. Educating and Organizing farmers into clusters.

RPSE Model – Phase I

The above RPSE model, Phase –I, is the simple model. In first phase RPSE is focusing not only procuring and supplying products but also acting as entrepreneur development centre. The RPSE can serve as an incubator for rural budding entrepreneurs to successfully procure and distribute local and regional agro products and strengthen regional food systems. RPSE appoints both rural procurement entrepreneurs (RPEs) and rural supplying entrepreneurs (RSEs). RPSE initiates and nurtures entrepreneurship development in rural areas. RPSE identifies rural youths who have entrepreneurial qualities but lacking supportive guidance and develops them into either Rural Procurement Entrepreneurs (RPE) or Rural Supply entrepreneurs (RSE). In the Phase – I, RPSE procure only rural products like food grains, fresh fruits and vegetables, and other agro-products through RPEs at one place and do perform some marketing activities like grading, packing, branding, pricing etc. and supply through RSEs to Rural Retail Outlets (RROs) and to Urban Retail Outlets (UROs). It also trains both RPEs and RSEs towards marketing orientation and assist in getting finance for their project either through government financial institutions like state financing corporations or any other financial institutions like public banks etc. RPSE provides an excellent opportunity for farmers and rancher cooperatives to pursue high-value, local food markets. As India aim to inclusive growth and revitalize rural communities, this is exactly the type of innovation we need to win the future. The benefits of RPSE, specifically which would set-up in remote villages are not merely economic, but also increase access to fresh, healthful and local products for communities underserved by full-service food retail outlets. The problems like malnutrition can be overcome by the establishment of RPSE in remote villages.

RPSE Model – Phase II

Source Developed By Dr. N. RAMANJANETALU

Source Developed By Dr. N. RAMANJANETALU
In second Phase, RPSE itself does retailing which helps rural consumers to buy some products like agro inputs such as seeds, fertilizers, equipments etc at reasonable price; otherwise rural consumers have to travel to nearby towns to buy them at high price. RPSE procures those products either from local manufacturers or any other manufacturers and supply to rural consumers at reasonable price. RPSE’s retailing mainly focuses on rural consumers needs. And at the same time RPSE supply goods to local manufacturers like food processing units, if in case excess stock available, in harvest season, because in this phase the scale of business of RPSE will go up and to overcome the problems like storage and inventory management, it is better to supply excess goods to local manufacturers like oil mills, pickle makers etc. RPSE can also supply products directly to nearby RROs and UROs as it starts procuring directly from producers/manufacturers.

**RPSE Model – Phase III**

In the third phase, RPEs and RSEs are developed and grown up as independent entrepreneurs with the effective training of RPSE and with their experience. As they grown up RPE can go for forward integration and RSE can go for backward integration. In the process they will become another RPSE acting independently. In this phase developed RPE not necessarily supply to RPSE and RSE not necessarily depend on RPSE for supply. RPE can directly supply to producers/manufacturers, RSEs, RROs & UROs and Consumers. Similarly RSE can directly buy from rural producers/manufacturers and supply directly to consumers. Amongst RPEs and RSEs there may be interdependency to balance supply and demand.

**CHALLENGES BEFORE RPSE**

Like all nascent businesses, there are many potential constraints to the development and growth of RPSEs. Some of these business limitations are recognized and addressed by the organizations assisting with the development of RPSEs. The primary constraints are often hard for a new organization to overcome. These may involve the lack of sufficient financial resources and a robust risk-management plan. Some constraints may take a longer time for a new entity to address, such as human resource development (as part of a staffing plan) and gaining access to local food processing facilities. One typical constraint is a lack of skilled management, which is often accompanied by poor recordkeeping, accounting and financial management. This is especially true in producer-based organizations, where managers may have a great deal of knowledge about production agriculture, but have less knowledge of business management. RPSEs usually need to develop or hire skilled and committed people. There may also be legal or regulatory constraints on RPSEs development may be imposed by local, state or central law.

**ROADMAP FOR RPSEs DEVELOPMENT**

RPSEs develop and evolve from highly localized circumstances and are dependent on several factors. Some factors that contribute to the success of RPSEs include:

1. **Having a strategic plan** with clearly defined goals and a vision and mission statement to ensure that the RPSE’s original intents are maintained (for example: fair prices for farmers and consumers or sustainable agricultural production methods).

2. **Getting all stakeholders engaged early in the process** and defining their interests and areas of expertise. Make sure there is a management or oversight team that is inclusive of the membership. The concerns of farmers and other businesses and investors must be addressed. The team should include individuals with skills in financial management, the regulatory environment, marketing and packaging, inventory management and quality control and farmer/business owner engagement. As one study noted, make sure all parties are well matched in size and scale and that they operate with similar goals and values. This limits some risk that may arise in fulfilling contracts with vendors and buyers.
3. Understanding the location of different direct markets and how to access them. For instance, if the market outlet is geographically distant from the production unit, how will transportation occur and how can products be priced to cover those costs? Is backhauling feasible to generate revenue on an otherwise empty return load? Is the market one where a customer base that is less familiar with purchasing and preparing fresh foods, for example, some urban or at-risk populations?

4. Having an education program/strategy. An educational program may have to be an integral part of the RPSE development. This may include partnering with an outreach entity, such as a university extension service or a nonprofit agency. Such entities can deliver consumer information based on what the RPSE provides and when the product arrives to the consumer. If local farmers and ranchers have limited experience in direct marketing but are going to be supplying products through RPSEs, then they will need support and training in production planning, quality control, packaging and delivery. It may benefit the efficiency of the hub overall if other training and production improvement opportunities are offered, such as business planning or season extension techniques.

5. Learning and understanding end-user requirements. Many end users require producers or processors to have Good Agricultural Practices (GAP) or Hazard Analysis Critical Control Point (HACCP) programs in place in order to receive product. This may necessitate additional costs in producer/business-owner training, and the development of specific protocols and quality assurance to meet the end user's requirements. Another type of producer support that may be necessary is affordable product liability insurance for individual vendors or umbrella coverage for vendors that is purchased through the RPSE. This is critical for RPSEs accessing institutional markets, such as schools or hotels. The existence of such requirements for accessing a direct market may also cause some business owners to withdraw from the supply pool.

6. Acknowledging the level and types of infrastructure necessary to operate a RPSE. These may include technical infrastructure (such as billing protocols), Internet-management systems and payment processes. Physical infrastructure is also essential (such as product warehousing or processing capability) in order to ensure increased product quality and packaging control across suppliers.

7. Determining the correct business structure. The cooperative (or quasi-cooperative) business model is well suited to RPSEs. But when setting up the business, no one type of business structure is the best fit for all RPSEs. Rather, the business structure must help stakeholders meet their goals for financial, marketing and production planning and growth. It appears that flexibility is the key, and the management team should be able to identify the point at which a certain business structure constrains further investment and an alternative structure (such as incorporating one business function or outsourcing distribution) is the only way the hub can maintain its market share or expand into new markets.

8. Determining the threshold scale needed for the RPSEs to be able to operate in an economically efficient manner. Investment capital required for supply-chain infrastructure (for vehicles, storage facilities, retail locations, etc.) can be a significant barrier to starting local aggregation and distribution businesses. There are also businesses with technical expertise in processing, distribution or transportation with which a RPSEs could contract to more efficiently execute some of the more complex, or cost-prohibitive, functions of direct marketing through a RPSE. A key issue here is how comfortable the stakeholders are with alternative lenders or certain subcontractors. This sort of “comfort level” assessment is an important component in developing a strategic business plan for RPSEs.

9. Identifying all sources of technical and financial support, including those considered less conventional. There are emerging areas of public and private financial support for RPSEs, including micro-lenders, private investors, economic development entities and nonprofit community-based organizations.

10. Managing information efficiently. It is critical that timely and accurate information flow between producers and consumers — or between producers and wholesalers. The success of the RPSE depends on this, and it will help to minimize or avoid price or marketing risk, production risk and some legal risks. Information management, supported by dedicated staff and technology, impacts the RPSE’s ability to manage orders accurately, to monitor product quality and to convey product attributes to consumers and other vendors. Information management also enables the RPSE to remain in compliance with certain federal, state and local food safety regulations and to maintain transparent working relationships across multiple partners in a value chain.

CONCLUSION
RPSEs serve as a way for a group of varied producers to find a local market for their agricultural production. They provide the thread of connectivity that keeps consumers in contact with farmers and ranchers, even when that thread is electronic, as with virtual RPSEs. RPSE’s success can be measured in terms of how many rural entrepreneurs have developed as RPSEs and RSEs. If RPSEs model get successful in India problems like unemployment, poverty, food insecurity, malnutrition etc can be reduced drastically. RPSE’s success or failure should not be measured solely as aggregating units, or in terms of total volume of product moved, but more in terms of the places to which the product goes and the people who benefit from it. With growing demand for local or regional food products, conventional marketing channels are ill-equipped to supply local food where and how people wish to purchase it. RPSEs help producers and consumers connect in a marketing manner that retains the valuable information as to where a food item was produced and
how it was grown. Large grocery retail chains rarely have farmers themselves offering produce for sale in their stores, yet this is the essence of farmers markets and the direct marketing experience so many people desire. By bundling together the product from multiple farmers for distribution to other direct markets — such as restaurants, schools, hospitals, workplace cafeterias, and other end consumers — RPSEs make it possible to supply them with fresh, local products produced by local growers in the quantities and packaging the customers require.

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