



## A STUDY OF DIRECT AGRICULTURE MARKET (UZHAVAR SANDHAI) IN CUDDALORE DISTRICT

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### **Abstract**

*Agriculture occupies a very important role in the growth of economy of our country, which is also the backbone of the economic system. India is primarily an agricultural country. Direct marketing by farmers is being encouraged as an innovative channel. Farmers' Markets are under the administrative control of the State's sixteen Agricultural Marketing Committees, which, in turn, are part of the Department of Agricultural Marketing. Agriculture marketing is a method of buying and selling of agricultural products. It determines the value of the agricultural product in terms of money and delivers them to the final customer. Most of the farmers sell their produce through village level markets, fairs, Mandies, Co-operative Societies etc. In the above process of agricultural marketing, the middlemen exploit farmers as well as consumers. In order to eliminate the middlemen between farmers and consumers, the Government of Tamil Nadu introduced the new concept, namely "UZHAVAR SANTHAI" in 1999. In this system, the farmers sell agricultural produce directly to the ultimate consumers. Hence, in this study, an attempt has been made to study the direct agricultural marketing called "Uzhavar Santhai".*

*The Data required for the study has been collected from both the primary and secondary sources. The results of the study revealed that Uzhavar santhai (farmers' market) have had greater impact on both economic and social aspects of the farmers.*

**Key Words:** *Farmers Market, Performance of Farmers Market, Direct Agricultural Marketing, Uzhavar Sandhai, Direct Marketing, Uzhavar Sandi, Customers and Agriculture.*

### **Introduction**

Direct marketing is a long felt need of the farmers and consumers of the country as it goes a long way in ensuring higher remuneration to the farmers and meeting the satisfaction level of the consumers through direct sale of the agricultural commodity by the farmers to the consumer at affordable prices. Direct marketing of agricultural produce helps in complete elimination of middle men and commission agents who charge high level of commission fee from the agriculturists/farmers coming to the market yards for selling their produce and then artificially inflate the retail prices. The efficacy of direct agricultural marketing infrastructure facility can be increased by providing market user common facilities for proper weighing, cleaning, grading and packaging of agricultural produce being brought to the market yard by the farmers for sale. In order to give a big boost to the development of direct agricultural marketing infrastructure facilities in the country, The Government of India, Ministry of Agriculture has announced the "Scheme for Development/ Strengthening of Agricultural Marketing Infrastructure, Grading and Standardization." The scheme is reform linked, i.e. Desires the states to amend their state specific APMC acts for enabling development of direct agricultural marketing infrastructure facilities, contract farming and participation of private and cooperative sector in creation of market yards. Under the scheme credit linked back ended subsidy to the tune of 25% of the total project cost (33.33% of the total project cost for projects in NE states, hilly and tribal areas, SC/ST entrepreneurs or their cooperatives) is available. The implementation period of the scheme is from 20.10.2004 to 31.3.2007. Development of direct marketing infrastructure forms one of the component of the scheme. Direct marketing by farmers is being encouraged as an innovative channel. Farmers' Markets are under the administrative control of the State's sixteen agricultural marketing committees, which, in turn, are part of the Department of Agricultural Marketing. The present study is conducted to analyze the gap between the expected performance and actual performance of the Farmer's in uzhavar sandhai. The main objective of the study is to analyze the customer opinion on the working of the farmer market (uzhavar sandhai).

The uzhavar sandhai (Farmers' Market) is one of the farmers' friendly direct marketing systems in operation in the country. In order to create awareness about development of agricultural marketing infrastructure among bankers, financial institutions, potential entrepreneurs in private and cooperative sectors, farmer groups, govt. functionaries etc. a model bankable project for a Uzhavar Sandhai has been developed.

### **Review of Literature**

**Lathia Achoth (1985)** in this study analysed the cost of manufacture of tea in the Nilgiris District. The study observed that parking materials, statutory levies, and fuel costs together constitute more than 50 per cent of the cost of manufacture. He also suggested that the tax component needs rationalization especially during years of poor prices.



**Ajay Verma (2002)** in his paper discussed the importance of market, marketing, and export performance of vegetables in the world market. He concluded that Indian vegetables have more export potential than other crops. In 2000-01 the country exported other fresh vegetables to the tune of Rs.190.84 crores over Rs.144.14 crores in the preceding year; representing a growth of 32.89 percent.

**Suri (2005)** in his study discussed the need for net based marketing information system for agriculture. He quoted that in order to improve the present marketing information system. Ministry of Agriculture has to formulate a central sector scheme for linking all regulated market spread all over the country.

**Alber Myles and Ken Hood (2010)**, Mississippi State University conducted a study on Economic Impact of farmers market in Mississippi and documented the actual benefits of farmers market on employment wage sales and state and local revenues.

**S.Saravanan (2013)** enquired into the production and marketing constraints of farmers in Coimbatore district of Tamil Nadu. The time has come that the agriculture produce in exchanged for mercy. Agricultural marketing is a new and evolving concept.

**Jyothi K C (2014)** vividly portrays about the efficient agricultural marketing and sustainable development more efficient agricultural marketing generates economy wide gains in output and wages, raises agricultural producer prices, reduces consumer food price, and increases private consumption, particularly by low-income households.

### **Origin of Farmers Market in India**

India being the largest producer of fruits and the second largest producer of vegetables in the world, agricultural markets play an important role in providing the means of livelihood to millions of small and marginal farmers. Majority of small producers however remain deprived of fair prices for their produce on account of two broad reasons. First the rural markets are characterized by large intermediaries and the market chain is highly unorganized with gains not forthcoming to the primary stakeholders, second, fruit and vegetable products have a very short shelf life and poor infrastructure deprives the legitimate gains to both consumers and producers.

Realizing the gravity of the problems in marketing agricultural produce in 1928 the Royal Commission on Agriculture, emphasized the need for strengthening the agricultural marketing system to safeguard the interest if Indian formers. The report on National Commission on Agriculture 1976 stated that during the sale of agricultural produce as much as 50 percent of the consumers share goes to the middleman and less than 70 percent reaches the farmer. This situation is confirmed and concluded that the "price spread" is very large, particularly for horticultural crops including vegetables.

Uzhavar Sandhai of Tamil Nadu has taken the cue from 'Apna Mandi' of Punjab and Haryana. The former agriculture secretary to the Government of India, M.S. Gill, during his trip to the former U.S.S.R. happened to visit 'Kal Ghaj', a farmers' market where farmers were selling fresh and green vegetables on the roadside on a collective basis, at a high premium directly to the consumers. Impressed by this, he mooted the idea of farmers' market in the early 1990s and initiated 'Apna Mandis' in Punjab and Haryana, which proved to be a phenomenal success. Andhra Pradesh followed suit and started the 'Ryothu Bazaar' on lines similar to that of Punjab and Haryana.

### **Uzhavar Santhai (Farmers' Market) in Tamil Nadu**

Tamil Nadu Government has been the champion of farmers' market. The very first Uzharar Santhai came to Madurai on 14.11.1999. All Uzhavar Santhai are maintained properly by the District Agricultural produce marketing committee. At present 103 Uzhavar Sandhais are functioning, everyday on an average 1010 Metric tons of fruits and vegetables worth Rs.2.65 crores are being sold by 7,500 farmers and there by 3.35 lakhs consumers are bring benefited. Computers have been provided to 25 Uzhaver Sandhais. Cold storages with capacity of 2 Metric tons have been constructed at a cost of Rs.133. 10 lakhs to prevent deterioration of fruits and vegetables in 22 Uzhavar Sandhais, where sale of fruits and vegetables exceed 15 Metric tons per day. The Farmers' markets open at 6.30 in the morning and usually close at 2.00 pm although marketing committee staff remains until 5 Pm to complete all the paper work. A committee, which includes officials and farmers representatives, is charged with fixing the maximum prices allowed in the market, these are based on the conventional market system and are 15 to 20 percent above central market prices, which corresponds to about 20 percent less than retail prices, in each farmers market is located within a 40 kilometers radius of villages. The farmers' market helps in mitigating the problem posed by middlemen like cornering profit and harassment to sell them only.

Uzhavar Sandhai is one of the most successful models of direct agricultural marketing in the country. The idea of setting up marketplaces which directly link producers and consumers and exclude traders and middlemen in Tamil Nadu is called as

'Uzhavar Santhai' (Farmers' Markets), started during 1999. The major objectives of Farmers' markets in Tamil Nadu are to: eliminate middlemen and traders from the marketing of vegetables in the Farmers' markets; establish direct contact between farmers and consumers; maintain stability in the prices of fresh vegetables and fruits; increase coordination between the agriculture and the horticulture departments; act as information centers for the marketing of fresh vegetables and fruits, and promote awareness and to provide training in relation to the preservation and packaging of perishable fresh vegetables and fruits. This has been fairly successful. Many of the farmers depend on rains for vegetable growing and hence there are vagaries of nature that need to be understood.

### Need for the Study

The basic elements of agriculture system are production and marketing. Marketing of agriculture produce is an important as the production itself. As a link between producer and consumer, marketing plays an important role not only in stimulating and consumption but also in increasing the pace of economic development. Marketing of agricultural produce is considered as an integral part of agriculture, since an agriculturist is encouraged to make more investment and to increase production. This is an interesting aspect to find out the various trends happening in the field of marketing of agricultural produce.

### Objectives of the Study

1. To study the Socio – economic profile of the farmers who participate in the Uzhavar Sandhai.
2. To evaluate the consumers perception towards farmers' markets.

### Data & Methodology

This study is an empirical based on survey and analysis method. Data has been collected from both primary and secondary sources. For collecting primary data, a sample of 60 regular purchasers of vegetables at Uzhavar Sandhai's from Cuddalore District was selected through convenience sampling method. A structured questionnaire was administered among the consumers to collect primary data. Secondary data has been collected from newspapers, journals, and magazines and through informal discussion with officials of the department concerned.

### Tools of Analysis

The statistical tools like percentage, weighted average and ranking analysis. The result divulges majority of the respondents are satisfied with the farmers behaviour while buying at Uzhavar Sandi, first rank is given to factors required for the purchasing vegetables in Uzhavar Sandhai.

### Statement of the Problem

Cuddalore is basically agrarian in nature and backward district. It is a place for cultivation of more vegetables, fruits, sugar cane, cashew nut, food crops other than wheat. The consumers are in the low-income earning category. Farmers need additional revenue normally which is cornered by the commission agents or middlemen. The farmers' market is expected to benefit both the farmers on the one hand and the consumers on the other. Hence it necessitates the study of the economic aspects of Farmers market in India.

### Limitation of the Study

1. It is also assumed that the respondents are true and honest in expressing their views.
2. The study is applicable only to Uzhavar Sandhai's (Farmers' Market) in Cuddalore District and not to any other similar areas.
3. For want of time, only 60 respondents were contacted.

### Results and Discussion

**Table 1: Age of the Respondents Purchasing from the Farmers' Market**

S. No	Age	No. of the Respondents	Perc
1	20-30	8	13.33
2	31-40	35	58.34
3	Above 40	17	28.33
Total		60	100.00

Source: Field survey

Table no.1 depicts the age group of consumers in Uzhavar Sandhai's. Middle age group people are actively engaged in the socio-economic activities.20-30 and 41-50 age groups are actively participated in the Uzhavar Sandhai's activities.

**Table 2: Sex of the Respondents Purchasing from the Farmers' Market**

S. No	Sex	No. of the Respondents	Percentage
1	Male	18	30.00
2	Female	42	70.00
Total		60	100.00

Source: Field survey

The Table No.2 Shows Sex of the respondents purchasing vegetables from the farmers' market. A close at the table shows that 42(70.00 percent) of the respondents were Female and 18(30.00 percent) of the respondents were Male.

**Table 3: Family Income of the Respondents**

S. No	Classification	No. of the Respondents	Percentage
1	10000-15000	11	18.33
2	15001-25000	32	53.34
3	25001-30000	8	13.33
4	Above35000	9	15.00
Total		60	100.00

Source: Field survey.

#### Inference

The Table No.3 reveals that the Family income of the respondents. 32(53.34 percent) of the respondents were earning between Rs. 15001 to 25000 and 11(18.33 percent) of the respondents were earning between Rs. 10000 to 15000. The earnings of the family and are above 15% under the income group of above Rs.35000.

**Table 4: Educational Qualification of the Respondents**

S. No	Classification	No. of the Respondents	Percentage
1	Illiterate	7	11.67
2	School level	30	50.00
3	Diploma level	15	25.00
4	Degree level	8	13.33
Total		60	100.00

Source: Field survey

The details of literacy level of the selected respondents are shown in table 4. Out of 60, only 7 (11.67%) respondents are Illiterate, 30(50.00%) are respondents educated up to school level, 15 (25.00 %) respondents had their Diploma level and 8 (13.33%) respondents are Degree. From this, it can conclude that major of the selected respondent are school level education and only eleven percent members are Illiterate.

**Table No 5: Distance Travelled by the Respondents to the Farmers' Market**

S. No	Distance	No. of Respondents	Percentage
1	Below 2 km	33	55.00
2	3km-5km	12	20.00
3	6km-10km	10	16.67
4	Above 10km	5	8.33
Total		60	100.00

Source: Primary data from the field survey

#### Inference

Table no.5 depicts that the distance travelled by the respondents, the consumers about 33(55 percent) to travel less than 2km to purchasing the vegetables, 20.00 percent of respondents travel to cover almost 3km-5km to reach farmers market, 16.67 percent of respondents travel to cover almost 6km-10km to reach farmers market and only 8 percent of the respondents travel the distance above 10 km.

**Table No 6: Purchasing Period of the Vegetables by the Respondents from the Farmers' Market**

S. No	Days	No. of Respondents	Percentage
1	Weekly one day	18	30.00
2	Weekly 2 -3days	29	48.33
3	Weekly 4 days	9	15.00
4	> 4 days	4	6.67
Total		60	100.00

Source: Primary data from the field survey

### Inference

The above table no.6 shows that Purchasing period of the Vegetables by the respondents from the farmers' market. It was found from the survey that most of the respondents were purchasing the vegetables weekly 2-3 days (48 %), followed by weekly one day (30.00%).

### Conclusion and Suggestions

The Uzhavar Sandhai's a unique fair farmers' market mode which is capable of providing answers to several challenges put forth by the globalization of agriculture. One of the positive aspects of the Sandhai is that it does not require much training because all that is required is the introduction of the concept off air farmers' market. Organized innovations and institutional structures do not come that easily within the circle of poor and small and marginal farmers without support from government bodies. Such thought processes may not cross farmers' minds as they are for the most part engaged in thinking about their future prospects and family problems created by low income levels and the lack of market for their produce. Thus, if they are given the required simple training in marketing techniques, they can decide what to cultivate, at what time to sell, at what price and to whom.

So, what has been done effectively in Tamil Nadu should be practiced by others at governments in their own innovative ways. This will surely improve farmers' and agricultural labourers' lives, and will ultimately help the agriculture sector growth in the economy.

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