Chapter-IX

CONCLUSIONS AND SUGGESTIONS
INTRODUCTION

The importance of the agricultural sector and the role of the Government in initiating and sustaining agricultural development efforts have been very important issues in the management of the Indian economy.

Governments in power in India, both at the Centre and State level, over the last six decades, have made all efforts to ensure that the benefits of economic development reach all sectors of the population with a stress on the need to ensure that such benefits percolate to the 'poorest of the poor'. Social justice and Social engineering have always been viewed as integral ingredients in the process of economic development in India. The agricultural sector continues to play a prominent role in the Indian economy. Even today, 68 per cent of Indians depend upon agriculture and its allied activities for their livelihood and employment. Agriculture contributes a significant 26 per cent to the Gross Domestic Product of the nation.

The first challenge confronting independent India was the need to provide food security to a large population living in conditions close to abject poverty. The Green Revolution launched in the early 1970s marks a turning point in the economic history of India. Government initiatives such as land reforms, tenancy reforms, provision of low cost finance to ryots, development of high yield varieties of food crops (H.Y.V), encouragement to mechanisation and modernisation of agricultural operations, price support systems and the provision of extension services were the key ingredients of the success story of Indian agriculture in the 'Green Revolution' phase.
While the benefits of Green Revolution are substantial and impressive, there is a need for consolidation of the gains of the Green Revolution and addressing issues and problems left unsolved by the Green Revolution. Issues like the gap between potential yields and actual yields in the sector, depletion of natural resources and degradation of environment, failure to address the problems of small and marginal farmers, the very low levels of processing activity and high post-harvest losses, lack of access to assured supply of adequate credit at an affordable price to farmers, failure to ensure the transfer of knowledge from the laboratory to the land, etc, need to be addressed by the policy makers involved in providing a direction to Indian agriculture.

Marketing, as an economic activity, has come to play a very prominent role in modern society. Economic institutions of society, whether managed by private individuals or the State, primarily aim at satisfying the economic needs and wants of the society. The production and effective distribution of goods and services has become an objective of prime importance all over the world, especially in Third World countries.

While it is evident that marketing plays a pivotal role in developed economies relying on private initiative in the economic sector, marketing undoubtedly has a significant presence even in developing economies operating on the basis of either State ownership of all factors of production or the ‘mixed economy’ model.

Philip Kotler defines Marketing as “a social and managerial process whereby individuals and groups obtain what they need and want through creating and exchanging products and values with others”.

The primary focus of marketing is on the creation of 'mutually satisfactory exchange relationships' between target markets or consumers and business organisations, whose primary objectives are economic in nature. This view of the role of marketing is generally identified as the 'micro-marketing' view.

Over the years, marketing has been a much neglected area in the management of economic systems in the developing economies. This is primarily due to the fact that 'economic planners' are generally more comfortable dealing with problems relating to production, investment and finance which are amenable to quantification and precise 'model building'. Economic planners tend to shy away from marketing problems which are characterised by a higher degree of uncertainty and intangibility, especially in Third World countries where information is scanty and unreliable.

Post-Green Revolution, farmers in India were, for the first time, in possession of a 'marketable surplus' of substantial magnitude. There was a shift from subsistence farming to commercial farming in areas benefiting from the Green Revolution. A combination of factors like rapid monetisation of the economy, the growth of banking and insurance sectors, the introduction of cash crops, a trend in favour of monocropping, rapid strides in transportation sector, the establishment of agro-industries, etc., led to a more important role for marketing in the agriculture sector.

The creation and maintenance of an efficient and effective marketing system for agriculture products was viewed as essential, not only for the well-being of farmers but also for the achievement of a plethora of social objectives like provision of food security,
equitable distribution of income, farmer empowerment and rural development. Economic planners recognised the need for major reforms and initiatives in the area of agricultural marketing, a much neglected activity in India.

Johl, summarising the different objectives of an effective marketing system for agricultural products in the Indian context observed: "The availability of an accessible market, the certainty of remunerative prices and the surety that the produce will be lifted at the given price in whatever quantity it is offered would be the right type of marketing situation conducive to growth of any agricultural commodity".

Mamoria defines agricultural marketing as "Agricultural marketing, in its widest sense, comprises all the operations involved in the movement of food and raw materials from the field to the final consumer".

Kohls and Uhl state that the term refers to the "performance of all business activities involved in the flow of goods from the point of initial production until they are in the hands of the consumer".

Marketing systems evolve and function within a given socio-economic and cultural milieu of a nation and exist only to serve the economic needs of society. The nature of the system, its dynamics and mission are determined in the larger context of the economic and social needs of the society of which it is an integral part.

Within the context of the problems faced by the Indian economy and the agricultural sector in particular, the tasks of agricultural marketing in India ought to
extend beyond the mere task of 'delivering consumer satisfaction while assuring reasonable economic returns to the farmers' and must include:

i. providing an assurance of food security to all the citizens of the nation.

ii. enhancing marketable surplus and marketed surplus at the farm level.

iii. providing opportunities for value addition to agricultural produce.

iv. widening the markets for farm products.

v. providing incentives for the development of agro-based industries and processing industries.

vi. seeking and exploiting export avenues for agricultural products.

vii. providing mechanisms for price stability.

viii. generating employment in the marketing of agricultural products.

ix. providing incentive for the adoption of better farm practices by farmers.

x. playing positive role in rural development.

xi. playing a role in the integration of the rural and urban sectors of the economy.

In the Indian context, the term agricultural marketing encompasses the following important functions:


Such tasks or activities may be undertaken by the a) farmer himself, b) the customer, c) specialist marketing functionaries, or d) by Government agencies.
The Indian agricultural marketing system functions within an economic framework commonly referred to as "mixed economy". Ever since the 1950s, when the Indian State adopted the Welfare State model of governance, the Government of India has been a major player in the economic system. The adoption of the 'socialistic path' to economic development provided a framework for 'state participation, regulation, direction and control' in all spheres of economic activity.

The Government undertook the major task of regulating, controlling and developing the agricultural marketing system through a series of activities like providing for legislation, procurement schemes, price support schemes, creation of regulated markets, encouragement to co-operative societies, promotion of rural banks, etc. Given the above context, we must choose the "micro-marketing" framework for appraising the performance of the agricultural marketing system.

A number of studies have been undertaken to identify the defects, shortcomings and weaknesses of the agricultural marketing system in India. Over the years, the Government, agricultural experts and academicians have tried to unearth the primary reasons which have lead to the prevalence of an undesirable state of affairs where in 'customers pay exorbitant prices for agricultural products while farmers do not get a fair price for their produce'.

Defects or shortcomings in the agricultural marketing system in India include the phenomenon of forced sale by farmers, poor storage facilities for produce, inefficient transport systems, poor arrangements for grading and standardisation, multiplicity of weights and measures, very low levels of processing, high price fluctuations, the practice
of adulteration, the presence of fraudulent marketing practices, lack of nexus with organised credit agencies and poor arrangements for marketing information. Farmer passivity, a long chain of middlemen, domination by traders and the failure of farmer associations to play a significant role in marketing further contribute to the woes of the Indian farmer.

Khusroo, Moore and Johl define the ideal market system in the context of Indian agriculture as, "An ideal marketing is one that maximises the long run welfare of society. To do this, it must be physically efficient, otherwise the same output could be produced with fewer resources; and it must be allocatively efficient; otherwise a change in allocation could increase the total welfare."

The improvement of the marketing system for agricultural products in India is a monumental task requiring the investment of large resources; physical, financial and human. It requires the co-ordination of the activities and efforts of a number of agencies, which can benefit, either directly or indirectly, from such a task. It requires the introduction of new structures, modification of existing structures, encouragement to initiatives, regulation of the activities of participants in the process, suppression and prohibition of undesirable practices, designing incentive systems for change, legislation and executive action.

The initiative for "market improvement" may originate from any and/or all of the following agencies:

I. The Government.
II. Farmer Associations and Trader Associations.
III. Individual Farmers and Business Organisations.
IV. Public Interest Organisations.
Till recent years, Government initiatives in the areas of policy formulation, legislation, regulation, participation and assistance were seen as the primary instruments in the task of marketing improvement. During the recent years, many Governments have attempted to move from being participants to facilitators in the process of agricultural marketing.

Experts in the field of agricultural marketing assessing the results of nearly 50 years of Government intervention have opined that:

i. There has been a concentration on the form of structures rather than on the removal of constraints.

ii. There has been a concentration on the large and centralised markets to the neglect of the many localised-primary markets.

iii. The scale of operations and the high degree of centralisation of reforms has not provided an opportunity for percolation of reforms to the primary markets. Hence, small farmers have not been able to derive benefits of market reforms.

iv. The control of the rich classes over co-operative institutions has led to the failure of the institutions in achieving their primary objectives.

The new century has thrown up a new set of challenges that require a concerted effort at improving the marketing system. The gradual withdrawal of the Government from its involvement in agricultural marketing, the reduction in Government involvement in the public distribution system (P.D.S), the opening up of the Indian food market to foreign participation, export of essential commodities by farmers lured by the promise of...
higher profits in the world market and possible shifts in favour of commercial crops could lead to serious shortages of essential food products in the country, leading to exorbitant price increases.

Many farmers' organisations have expressed fears that foreign and indigenous giant corporations entering the agricultural sector would lobby for legislation facilitating exploitation of small and marginal farmers in the name of corporatisation of agriculture and contract agriculture. There are fears that corporate food-processing giants could sound the death-knell for millions of local small-scale units, whose products would be unable to compete with the more attractive products backed by scientific marketing efforts of corporate organisations. Rapid urbanisation and changing life-styles and needs of urban customers have lead to a manifold increase in the quantity and variety of food products demanded by the urban sector.

All these factors have led to tremendous pressure on the marketing system for agricultural products. It is evident that the marketing system is finding it difficult to meet these new challenges.

Farmer suicides, escalating food prices, shortage of agricultural products, regular gluts and distress sales by farmers, farmer agitations, demonstrations against multinational corporations (M.N.Cs), nutritional deficiencies, adulteration of food products, etc., stand testimony to the fact that the marketing system, as it prevails today, is not able to perform the marketing task with efficiency and effectiveness. There is a need for serious, concerted and concentrated efforts for "improvement of the marketing system".
It is said, “India lives in its villages”. Nearly 70 crore Indians live in the 5,50,000 villages spread over a vast land area of 3 lakhs square kilometers.

However, the choice of Industrialisation as the primary route to economic development and prosperity by the Government of India, after Independence in the year 1947, has led to a phenomenal growth in the number of towns and cities in India. Urban population in India, which was as low as 10.8 per cent of the population in the year 1901 grew to a substantial 27.78 per cent of the population by the year 2001 and is expected to go up to 36.6 per cent by 2011.

Urbanisation, the process of the rise and growth of towns and cities, is today associated with growth, development and industrialisation. It is often seen as an index of the economic development of the nation.

A number of factors have led to increasing urbanisation all over the world. India is no exception to this overall trend and economic planners have recognised the need to design and implement strategies and programmes for meeting the challenges of rapid urbanisation.

The process of economic development also brings about substantial changes in the nature of relations between rural and urban areas in a country.

Commercialisation of agriculture, the shift to commercial crops, increase in the marketable surplus of farmers, modernisation of agriculture, the development of transport and communication facilities and the increasing importance of marketing as an economic
activity create the need for more regular and intense inter-relations between rural and urban communities in a country.

The movement of goods between rural and urban areas is perhaps the most important constituent of linkages between rural areas and urban areas. Agricultural marketing has been primarily concerned with the flow of goods originating in villages to the towns and cities. Agricultural marketing ensures that the farmer gets a fair and just price for his produce while ensuring an assured supply of food products to the millions of consumers residing in urban areas at a fair and affordable price. Efforts at development of agricultural marketing reflect the recognition of the need for an effective mechanism for the management of flows from rural areas to urban areas.

The task of providing "food security" in the form of the availability of adequate quantities of safe food at an affordable price to the burgeoning urban population is becoming a major challenge to Governments all over the world. This challenge is all the more daunting in developing countries like India, characterised by shortage of resources and the absence of well-developed marketing systems.

The marketing system for farm produce in urban areas must address itself to the tasks of improving the efficiency of existing food supply and distribution systems, creating effective linkages between production centers and consumption centers through the provision of transportation, providing warehousing and communication facilities, facilitating access to safe food at an affordable price to all sections of the urban population (with a specific concern for the needs of low-income groups of the
population) and ensuring that the farmers get a fair share of the price paid by the consumers.

Rapid urbanisation, unplanned, in many instances has posed a great challenge to the traditional marketing systems for farm produce in urban areas. Burgeoning population has led to a great strain being placed on the marketing systems. Poor conditions of transport between urban and rural areas lead to delays and stoppages in transport of farm produce disrupting food supplies.

Changes in traditional family structures, the geographical expansion of cities and the fast pace of urban life have made traditional arrangements for the retail marketing of farm produce in urban areas incapable of satisfying consumer needs and redundant in the context of modern trends and directions. This has inspired the search for more efficient marketing arrangements.

Vegetables, fruits and processed foods form a very important constituent of the dietary requirement of the average household in India. This is all the more so in the case of families used to a predominantly vegetarian diet.

Over the years, the traditional marketing system consisting of the central wholesale market, the central retail market, the locality-specific organised retail markets, the locality-specific unorganised retail markets, street end vendors, the itinerary hawkers and the ubiquitous provision stores has been attempting to satisfy the needs of the urban population with reference to vegetables and fruits.
The traditional retail marketing system for farm produce in urban areas was designed and managed to suit the requirements of small towns. Over the recent years, there has been an unprecedented and unforeseen growth of urban population. Local authorities and local bodies were not adequately equipped to provide for a planned growth. Haphazard and unregulated growth in urban agglomerations has led to unmanageable pressure on marketing systems. The failure of urban planners to provide for the allotment of land for the construction of regulated markets in upcoming residential areas further added to the problem. The marketing system failed to ensure technical efficiency, pricing efficiency and distributive efficiency leading to grievances being reported by virtually all the participants in the marketing system.

Farmers' grievances against the marketing system include the very low proportion of the "consumer rupee" being received by them, the absence of a reliable transport system, the absence of storage systems compelling distress sales and the total domination of traders over the system.

The prevalence of very high prices, lack of assurance of quality, the prevalence of fraudulent marketing practices and the absence of a congenial environment for marketing are the major consumer grievances in urban areas.

Lack of access to infrastructure, insecurity in the face of the forces of rapid urbanisation and the need to rely on high cost finances from the unorganised sector are the basic grievances of the small traders. The inability of the traditional retail marketing system to deliver satisfaction led to the emergence of new forms of retail marketing in the urban food sector.
Modern food markets, the food product departments of Super Markets and innovative attempts at direct marketing by farmers themselves in urban areas are some of the initiatives that are aimed at filling the gaps in the marketing structure. However, these attempts are primarily aimed at the high-end market and the magnitude of the effort is not in any way sufficient to meet the emerging challenges.

A tremendous shortage of food products in urban areas of Andhra Pradesh in the year 1999 led to sky-rocketing prices and many citizens were no longer in a position to purchase vegetables and fruits, whose consumption was an integral part of dietary requirements. Public outery and dissatisfaction necessitated immediate Government intervention.

While prices were exorbitantly high in urban areas, farmers were not in a position to get remunerative price for their produce. Distress sales were common in many parts of the State. In certain areas, the prices offered by middlemen for farm products were so low that farmers found it unremunerative to harvest the produce. These phenomenon drew attention of the public, the media and policy-makers to “fundamental inefficiencies and inequities” prevalent in the existing arrangements for the retail marketing of farm-products in urban areas.

The “Rythu Bazaars” scheme of the Andhra Pradesh Government was launched in November, 1999 to rectify this lacuna in the marketing of agricultural products. Rythu Bazaars provide an institutional framework for a “direct inter-face between producer-farmers and consumers” in urban areas, eliminating the long chain of middlemen in the marketing process. They were introduced in order to ensure that the millions of farmers

397
growing fruits, vegetables and pulses in the State get a fair return for their produce and also have an opportunity for marketing their produce directly to consumers in urban areas.

The scheme, for the first time in the country, envisaged the creation of infrastructure and administrative machinery necessary for the direct marketing of fresh farm produce by the Government of A.P for the benefit of farmers and urban consumers. Over the years, the scheme has gained the acceptance and patronage of millions of urban customers with the promise of farm fresh produce of a fairly good quality at a reasonable price.

Rythu Bazaars are organised markets for direct marketing of agricultural products in urban areas. They are located on Government owned lands (of at least one acre) in an accessible part of the city, sufficiently away from the central wholesale market in the city. The Government shall arrange for the construction of sheds to house stalls to be manned by farmer-sellers and the Government also undertakes to provide auxiliary services.

Farmers from an identified “cluster of villages” contiguous to the urban area shall be motivated to sell their produce in the Rythu Bazaars. Efficient and low cost transport facilities shall be made available to the farmers for conveyance of the produce. The Bazaars shall be managed by an Estate Officer (appointed by the Government) in consultation with representatives of farmers and consumers. Every effort shall be made to ensure remunerative prices for farmers while providing consumers the benefit of quality produce at a reasonable price. Farmer participation in the management of the Rythu Bazaars is envisaged as a prelude to the ultimate objective of creating “self-reliant markets managed by co-operative societies formed by participant farmer-producers.”
Rythu Bazaars, in the early years, were very successful in achieving their objectives. They were well received and patronised by urban consumers who welcomed the significant decline in prices. Services provided at the Rythu Bazaars made marketing a convenient and pleasant experience. Monitoring by the media and public interest organisations ensured a strong commitment by the Government to make the scheme a success.

Commentators on social issues have remarked that there has been a decline in the enthusiasm shown by the Government and bureaucrats in the management of the scheme during the recent years. Nearly, 20 per cent of the Rythu Bazaars have become sick. Farmers have not been able to successfully counter efforts at sabotage of the scheme by traders and vested interests. The inability of farmers to take active interest in the management of the Bazaars is a factor that has reduced the overall viability of the scheme. The coming to the power of the Congress party in A.P. (in place of the Telugu Desam Party which introduced the scheme) in the year 2004 has led to apprehensions that the scheme would be discontinued or undermined by the Government. The continuance of the scheme by the Congress Government stands testimony to the popularity of the scheme.

The present study is a maiden attempt to assess the performance of the scheme all over the State and the researcher has relied on primary data collected from 360 farmer sellers and 360 customers spread over 12 towns / cities of A.P. in addition to interviews with officers and functionaries of the Government connected with the administration and supervision of the scheme. Secondary data has been judiciously utilised to supplement
and complement primary data to help the researcher arrive at relevant conclusions and to make useful suggestions.

CONCLUSIONS

The following are the conclusions of the study of farmer-sellers participating in the scheme all over the State.

PROFILE OF FARMER-SELLERS:

a) A majority of the farmer-sellers, nearly 3 out of every 4, trading at the Rythu Bazaars are in the age group of 30-50 years.

b) 73 per cent of all farmer-sellers, nearly 3 out of every 4 farmer-sellers, are married. It is found that a relatively higher proportion of farmer-sellers in the Coastal region however are unmarried.

c) A majority of the farmer-sellers, 56 per cent to be specific, had a family size of more that 6 members. However, oral enquiries of the researcher and his colleagues allow the researcher to conclude that the institution of joint family is on the wane even in rural areas. Many farmers in the younger age group stated that they were living away from and independent of the joint family.

d) More than 60 per cent of farmer-sellers have a family income of less than Rs.24,000 per annum. Of the rest, nearly 36 per cent enjoy an income in the range of Rs.24,000–60,000 per annum. Only 4 per cent of farmer-
sellers have an income in excess of Rs.60,000 per annum or Rs.5,000 per mensum.

e) Nearly 7 out of 10 farmers belong to the category of small and marginal farmers and own less than 2 acres of land. This fact reflects the general pattern of land holding found all over the country.

f) 60 per cent of farmer-sellers own the land that they are utilising for cultivation. It was found that there were more owner - cultivators in the Telangana region. Owner cultivators formed a relatively lower proportion of all cultivators in the Rayalaseema region.

g) 50 per cent of farmer-sellers relied on urban wholesale markets for the sale of their produce prior to their participation in the scheme whereas another 25 per cent farmer-sellers relied on urban retail markets for sale of their produce. A higher proportion of farmers in the Rayalaseema region relied on village level agents and village markets for disposal of produce. It was found that a higher proportion of men trade at the urban markets as compared to women farmers who prefer sale at the village markers.

h) Nearly 50 per cent of the farmer-sellers trading at the Bazaars were able to earn profit margins of less than 25 per cent on sale of produce at the market whereas another 40 per cent of the farmer-sellers were able to earn a profit margin in the range of 25–50 per cent.
i) Only 40 per cent of all farmer-sellers were members of a Co-operative society or Self-Help Group in spite of the fact that the Government has been providing a number of benefits to the members of such groups. To many farmers, the terms are synonymous with organised credit institutions.

It was found that relatively more women were members in such institutions confirming the observation that women have been more active in the Self-Help movement in Andhra Pradesh.

ATTITUDES AND BEHAVIOUR PATTERNS OF FARMER--SELLERS

a) 50 per cent of the farmers covered under the study were primarily relying on Rythu Bazaars while also depending on alternative channels for disposal of their produce. Only 11 per cent of farmers were exclusively and totally relying on Rythu Bazaars for disposal of stocks. The highest incidence of exclusive reliance of Rythu Bazaars was found in Coastal Andhra region of the State.

b) 80 per cent of all farmers at the Rythu Bazaars were happy with the procedure adopted for all the allotment of the stalls at the Bazaar. They expressed the opinion that the process was based on fairness. Perception of unfairness was highest in the Telangana region. Further enquiries have brought to light the fact that the procedures prescribed for allotment were overlooked in this region in the name of convenience.
c) 56 per cent of farmers participating in the Scheme were satisfied with the prices fixed by officers at the Rythu Bazaar for sale of produce everyday. It was found that most of the officers were strictly complying with the rules prescribed for price fixation. However, many farmers expressed the opinion that officers ought to follow a more dynamic and flexible policy of pricing in order to ensure larger benefits for farmers. One specific suggestion made by them was the adoption of retail prices prevailing in various local markets in the city as the “reference price” instead of the use of the price prevailing in the central retail market in the city.

d) 4 out of every 5 farmers were assisting the customers in selecting and choosing produce for purchase. Reluctance to assist the customers was the highest in the Telangana region and the lowest in Rayalaseema region.

e) 30 per cent of all farmers included in the study allowed customers to personally pick and choose produce of their choice. Another 30 per cent of the farmers were willing to pick and choose produce based on description given by the customers. Farmers in the Coastal Andhra region expressed the highest degree of reluctance to allow customers pick and choose produce. On the whole, it is evident that the Government's insistence on farmers permitting customers pick and choose produce has yielded results.
f) It is evident that 85 per cent of all farmers were permitting bargain over prices by customers. 30 per cent of farmers stated that they allowed only a marginal bargain over price. Many farmers stated that they were willing to reduce the price in the case of large volume buyers. In addition, many farmers were willing to permit bargain in an indirect manner. Such practices include rounding off price to a lower price in case of large volume purchases, delivery of a marginally larger volume of produce for payment of the fixed price and acceptance to sell the higher quality produce at prices quoted for low quality produce.

g) Only 25 per cent of farmers were absolutely satisfied with the facilities available for transportation of produce. 30 per cent of farmers while expressing satisfaction with the available services opined that the cost of transportation was very high. Satisfaction with transport facilities was highest in the Coastal region which is extensively served by the public transportation system. Cost of transporting one kilogram of produce (in most of the areas of the State) is as high as Rs.0-50 Ps. This amounts to nearly 25-40 per cent of the sale price of the produce.

h) More than 80 per cent of the farmers felt comfortable handling the tasks of selling produce directly to customers at the Rythu Bazaar. Of such farmers, 23 per cent stated that they felt absolutely comfortable with the task whereas the rest stated that they felt reasonable comfortable with the task. Women felt more comfortable with the selling task than men. This
may be due to the fact that rural women have always taken to the task of marketing of farm produce in preference over farm activities.

i) 80 per cent of farmer-sellers perceived benefit, either of a substantial or marginal degree, in maintaining good relations with customers. It was found that such perception was shared by a larger proportion of women farmers than men farmers. Such perception was shared by a larger proportion of farmers in Coastal Andhra region than in other regions of the State.

j) The study brought to light the fact that storage facilities, in the strict sense of the term, were virtually non-existent at Rythu Bazaars all over the State. Ambitious alternative low-cost storage plans remain only one paper. Farmers try to avoid the need for overnight storage of produce by disposing off stocks at throw-away prices at the end of the day’s business. Farmers leave the produce, unprotected, on the floor of the Bazaar in case it becomes unavoidable.

k) 34 per cent of farmer-sellers expressed dissatisfaction with the level and quality of services made available at the Bazaar officers. Of them, 17 per cent expressed extreme dissatisfaction with the services. In terms of the three regions, farmers in the Rayalaseema region expressed the highest level of dissatisfaction.
l) Only 12 per cent of the farmers selling produce at the Bazaars were procuring farm inputs like fertilisers, seeds and pesticides at the outlets in the Bazaars. Non-availability of the complete range of inputs, the low quality of inputs made available, the failure of officers to deliver as per the announced schedule and the need to pay the price in advance were some of the reasons cited by farmers for reluctance to make purchases at the Rythu Bazaar channel. Further enquiries also brought to light the fact that the Horticultural Department, which was earlier very keen on ensuring availability of farm inputs, was now showing an attitude of disinterest.

m) 80 per cent of farmers trading at the Rythu Bazaars were relying on the advice and assistance given by the officers functioning at the Bazaar. Of them 45 per cent were relying on the advice of such officers to some extent whereas 35 per cent were relying on officers for advice in all matters.

n) 70 per cent of farmer-sellers stated that they were satisfied with the attitude and approach of the Estate Officer in charge of the Rythu Bazaars with 42 per cent farmers expressing a very high degree of satisfaction with the attitude of Estate Officers. Women, in general, expressed lower levels of satisfaction with the officers. This may primarily be due to the reluctance or inability of the Estate Officers, who are men, to interact and maintain cordial relations with women-farmers.

406
7 out of every 10 farmer-sellers operating at Rythu Bazaars stated that there were cases of traders impersonating as farmers and obtaining entry into the Bazaar in violation of rules and regulations. Of them, 20 per cent were of the view that the problem was of a very serious nature. The incidence of such benami farmers operating at Rythu Bazaars was highest in Coastal Andhra region where many farmers depute employees to take up sale in stalls allotted in their name.

23 per cent of farmer-sellers operating at Rythu Bazaars opined that the operations of unauthorised hawkers selling produce outside and adjacent to the Bazaar were having a substantial adverse impact on their sales. Another 45 per cent of farmers believed that such operations had only a marginal negative impact on their sales at the bazaar. Farmer-sellers also stated that such operations lead to congestion of the approach roads causing inconvenience to customers. Frequently, such unauthorised outlets act as centres for the activities of anti-social elements and have the impact of spoiling the over all environment. This factor could lead to the Rythu Bazaars losing clientele who wish to keep away from such places.

Only 20 per cent of the farmers were taking an active interest in management of the Bazaars and participating in the administration of the markets. The highest level of involvement was reported by farmers in Rayalaseema region and the lowest level of involvement was reported by
farmers in the Coastal region. It may be concluded that farmer participation is high in the case of small town bazaars.

r) Only 3 out of every 10 farmers were satisfied with their sales turnover throughout the year. Another 30 per cent stated that sales turnover was satisfactory only during the season and unsatisfactory during the off-season. The term off-season is to be understood more in terms of a lack of production rather than in terms of a lack of or shortage of demand for produce. There was a perceptible decline in demand in the summer season in the case of markets in small towns due to the incidence of a number of families moving to the larger towns or cities consequent upon the declaration of vacations in summer by educational institutions.

s) 85 per cent of all farmers expressed the view that there was a definite improvement in the level of their marketing skills consequent upon participating in the Rythu Bazaar scheme. Farmers in Rayalaseema region have been significant beneficiaries in this regard since Rythu Bazaar have been a boon to farmers in this region who earlier had poor access to urban markets.

t) 9 out of every 10 farmers trading at the Rythu Bazaars could earn incremental incomes as a result of marketing their produce directly to customers avoiding middlemen. 28 per cent of farmers stated that the increase in income was more than 50 per cent. The highest increase in
incomes was enjoyed by farmers in Rayalaseema and Telangana in that order.

u) 8 out of every 10 farmers expressed the view that training programmes conducted at the Bazaar premises for the benefit of farmer-sellers were useful and informative. The highest level of satisfaction was experienced by farmer-sellers in the Rayalaseema region.

v) 50 per cent of farmer-sellers were of the view that the introduction of Rythu Bazaars has had a substantially positive impact on the retail marketing system for farm fresh produce in the State. The rest expressed the view that the positive impact was marginal.

The following are the conclusions of the study of customers patronising Rythu Bazaars all over the State.

PROFILE OF CUSTOMERS

a) 52 per cent all customers were in the age group of 30-50 years. In most of the cases, they were the heads of their families.

b) 63 per cent of all customers were married. The married segment of the population is the largest segment of customers for Rythu Bazaars. The incidence of unmarried women coming to the Rythu Bazaar is more than the incidence of unmarried men coming to bazaar, reflecting social mores which place a larger responsibility for the performance of household chores on women than men.
c) Employees constitute the largest segment of the customers for Rythu Bazaars. They largely represent the middle class in the Indian context. 74 per cent of all women covered in the study were full-time household managers, reflecting the overall occupational pattern in the nation.

d) 53 per cent of all customers reported a family size of between four and six. This fact reflects an acceptance and adoption of the small-family norm and the growing popularity of the Nuclear Family concept in urban areas.

e) Nearly 50 per cent of all customers visit the Rythu Bazaar twice a week or once in three days. Men, in general, tend to make more visits to the Rythu Bazaar than women. This may be due to the fact that men find it easier to commute to the Rythu Bazaars or find it convenient to club a visit to the market with other social engagements / activities.

f) A very large number of customers rely on the public transportation system to commute to the Rythu Bazaar. Other modes of transport utilised by customers include the use of personal vehicles, rickshaws, auto-rickshaws and share autos. Economy and convenience in handling the produce purchased at the market are the main considerations affecting consumer choice of the mode of transportation.

g) 55 per cent of all customers own and use both the LPG stove and refrigerator. It was found that customers gave priority to the purchase of a LPG stove over and above the purchase of a refrigerator.
ATTITUDES AND BEHAVIOUR PATTERNS OF CUSTOMERS

a) 53 per cent of all customers relied primarily on Rythu Bazaars while also making supplemental purchase through other channels. Only 13 per cent relied exclusively on Rythu Bazaars. Customer reliance on Rythu Bazaars was the highest in Coastal Andhra and lowest in the Rayalaseema region. Men relied more on Rythu Bazaars than women as shopping at the Rythu Bazaars requires less skill than shopping at the more traditional channels.

b) 4 out of every 5 customers expressed satisfaction with the location of Rythu Bazaars in their town/city. Men find the location of such markets marginally more convenient than women. A higher proportion of customers in the Coastal region reported satisfaction with location compared to customers in other regions of the State. This may be primarily due to the fact that the region has an efficient urban mass transportation system. Important reasons for dissatisfaction with location of Rythu bazaars include:

1) The Rythu Bazaar being very far off from the residential localities of the town or city.

2) The Rythu Bazaar not being located on a site close to any of the arterial roads of the town or city.

3) The Bazaar being located on a site far off from the authorised routes allotted for the public transport system.

4) Approach road to the Rythu Bazaar not being well laid or being congested most of the time.

c) Rythu Bazaars are primarily seen as markets for vegetables with nearly 7 out of 10 customers buying only vegetables at the bazaars. Fruit sales account for only 5-15
per cent of the turnover of Rythu Bazaars all over the State. Sale of processed foods is very low at Rythu Bazaars and is confined to Rythu Bazaars in the large cities.

d) Less than 25 per cent of customers were satisfied with the choice of produce available at the Rythu Bazaars throughout the year. Another 35 per cent stated that they were satisfied with the choice available during the season. Women customers expressed a higher degree of dissatisfaction with the choice available at the markets as compared to men customers.

e) Nearly 6 out of 10 customers choose the farmer-seller to buy the produce from on the basis of a visual examination of the produce available for purchase at the different counters. Men customers tended to give importance to other factors like convenience of location of the counter and previous dealings with the farmer-seller at the market.

f) 69 per cent of all customers relied on farmer-sellers while selecting produce at the Rythu Bazaars. Of them, 25 per cent of the customers stated that they relied on farmer-sellers on a regular basis while the rest stated that their reliance was occasional.

g) 82 per cent of all customers attempted bargain over prices at the Rythu Bazaars inspite of the fact that the policy of fixed prices is insisted upon by the Government. 60 per cent of the customers stated that they were successful in their attempt to buy produce at a price lower than the price fixed for the day. Bargaining was widespread and aggressive in the Rayalaseema region characterised by lower levels of urbanisation in the State. It was also observed that:
(i) Men showed a higher degree of reluctance to bargain (27.09%) as compared to women (11.09%).

(ii) The success rate achieved by women in bargaining (67.6%) is very high compared to the success rate achieved by men (47.22%).

h) 53 per cent of all customers stated that they interacted with and consulted other buyers while buying produce at the Rythu Bazaars. They stated that such consultation provided them with valuable information that they could profitably use to take a more informed-decision.

i) 90 per cent of all customers attempted to pick and choose produce of their choice at the Rythu Bazaars with 2 out of every 3 customers stating that they were successful in exercising their right to select and buy produce of their choice. It is evident that officials have prevailed upon farmer-sellers to allow customers to pick and choose produce. Women customers in general were more insistent on exercising their right to pick and choose produce.

j) 88 per cent of all customers expressed the opinion that prices at Rythu Bazaars were lower than prices prevailing in other channels. Of them, 54 per cent stated that prices were substantially lower than prices in the other markets whereas another 34 per cent customers were of the opinion that such prices were only marginally lower than prices prevailing in other channels.

k) A substantial majority of the customers, nearly 7 out of every 10 customers, were of the opinion that the produce offered for sale at Rythu Bazaars was either marginally or substantially lower in quality compared to produce available in other channels.
with two out of every ten customers perceiving quality to be substantially lower at the Rythu Bazaars. More women customers expressed dissatisfaction with quality than men customers.

l) 55 per cent of the customers expressed the view that Rythu Bazaars were a relatively better choice after taking into consideration the ‘price-quality trade off’ factor into consideration. Of them, 15 per cent were of the opinion that Rythu Bazaars were a substantially better choice than other channels. Maximum dissatisfaction was expressed with Rythu Bazaars by customers in Rayalaseema region where approximately 60 per cent of all customers expressed dissatisfaction with the scheme whereas only 45 per cent of customers all over the State expressed such dissatisfaction.

m) Nearly 60 per cent of customers expressed varying levels of dissatisfaction with the weighment procedures adopted by farmer sellers at the Rythu Bazaars. Women customers expressed a higher level of dissatisfaction with weighment procedures than men customers.

n) 53 per cent of customers expressed the view that farmer-sellers were either indifferent or discourteous in their approach to customers. More women expressed dissatisfaction with the levels of courtesy extended by farmers than men. The following behaviours and attitudes were stated to be the primary causes for the perception of indifference or discourtesy:

i) an unwillingness to answer queries of customers about the quality and freshness of produce.
ii) Rude and curt language used in addressing customers and in conversing with co-farmers.

iii) Smoking while dealing with customers.

iv) Passing snide comments at customers who failed to buy produce after making enquiries, etc.

o) 3 out of 4 customers expressed dissatisfaction with the absence or unscientific nature of grading practices at the Rythu Bazaars all over the State. Customers in the Rayalaseema region perceived the lowest level of satisfaction with grading.

p) 48 per cent of all customers expressed dissatisfaction with the standard of cleanliness maintained at Rythu Bazaars with one out of every four customers expressing the view that the standard of cleanliness at Rythu Bazaars was very poor. Customers in Rayalaseema expressed the highest level of dissatisfaction with arrangements for maintaining cleanliness at the markets.

q) A majority of the customers (55 per cent) expressed satisfaction with the overall performance of Rythu Bazaars all over the State. 28 per cent of the customers expressed a state of indifference with the performance of these markets. Only 18 per cent of the customers were extremely dissatisfied with the overall performance of Rythu Bazaars. The highest level of satisfaction with Rythu Bazaars was expressed by customers in the Coastal Andhra region followed by customers in the regions of Telangana and Rayalaseema.
84 per cent of customers believed that the introduction of Rythu Bazaars has had a positive impact on customer welfare with a substantial 30 per cent of customers perceiving a substantial positive impact on customer welfare.

86 per cent of the customers were willing to commend purchase at Rythu Bazaar to their acquaintances. However, only 32 per cent of the customers were willing to commend purchase of the entire range of produce made available at the Rythu Bazaars.

In addition to the above conclusions based primarily on quantitative data drawn from a survey of opinions of farmers and customers, the researcher has been able to draw the following conclusions based upon qualitative data obtained from observations of the researcher and his associates, interviews with officers and agricultural experts and from a perusal of secondary data.

Rythu Bazaars have gained wide approval and patronage all over the State. They have become a part and parcel of the urban retail marketing system for farm-fresh produce. The term Rythu Bazaar has become a part of the general vocabulary of the citizens of the State of Andhra Pradesh. It is now a widely established fact that no scheme introduced by State Governments all over India has ever received the kind of publicity and favourable opinion of the common man as the Rythu Bazaar scheme.

With reference to the three regions of the State, it can be concluded that the scheme has been very successful in the Coastal region and has enjoyed considerable success in the Telangana region. The scheme has failed to make a
significant impact in the Rayalaseema region. The primary reason for the relative success of the scheme in the Coastal and Telangana regions is the higher level of economic development and urbanisation in these regions as compared to the Rayalaseema region.

Cultivation of a larger variety of fruits and vegetables and better connectivity between rural and urban areas of the Coastal region are the main reasons for the greater success of the scheme in the region.

b) The introduction of Rythu Bazaars has intensified the search for more effective marketing channels for farm produce in urban areas of A.P. A number of new channels have come into existence since the introduction of Rythu Bazaars, utilising the basic concept behind the scheme. In addition, the Rythu Bazaars scheme and its achievements have now made retail marketing of food products a high profile segment of economic activity with a very high degree of visibility. Media attention to this vital area of marketing has led to a series of reforms in the sector contributing to a more effective distribution of farm produce in urban areas.

c) Rythu Bazaars over the last six years have created revolutionary changes in rural–urban relations in the State. The scheme has led to better connectivity being established between rural and urban areas. In addition to the development of better commerce between rural and urban areas, the scheme has lead to a virtual revolution in the transport sector. The need to move large volumes of farm produce on a regular basis has led to the search for efficient and cost effective modes of transport offering a high degree of flexibility and *last mile connectivity*. The light
commercial vehicle (L.C.V. trucks) and the three-wheeler auto have made an impressive entry into this segment of the transport sector. Low price cellular services have provided farmers the much needed instant connectivity with their villages from cities and have allowed farmers plan their activities, both marketing and production, with a high degree of precision and accuracy.

d) Rythu Bazaars have encouraged the development of entrepreneurial skills in farmers who were earlier reluctant to take a business attitude to their activities. Farmers, in general, attempt to free themselves of the need to market their produce, depending on professional marketing agents in villages to dispose off their produce. A number of farmers have taken up the task of marketing their produce directly to consumers at the Rythu Bazaars.

In addition, it is reported all over the State that many farmers coming to the markets with their produce are also bringing the produce of colleague farmers (not coming to the markets) and selling the produce either as agents of the other farmers or as independent traders themselves. Many farmers coming to the Rythu Bazaars now feel comfortable handling the marketing task, primarily due to their exposure to marketing tasks at the market and the exposure to training and development programmes conducted by the Government for the benefit of farmer-sellers coming to the Rythu Bazaars.

Based on the findings of the study, the researcher believes that the hypothesis of the thesis is established and validated to a significant degree. The functioning of the scheme has had a significant positive impact on the urban marketing system for vegetables, fruits and processed foods.
In addition, the introduction and functioning of the scheme has acted as a catalyst in bringing about the much needed reforms overdue in the marketing system for vegetables and fruits in urban areas of the State.

In addition to assuring the availability of quality food produce at a reasonable price for consumers and a fair price for farmers, the scheme has made a significant contribution to farmer education and empowerment in addition to encouraging rural entrepreneurship.

The present study has allowed the researcher to obtain a thorough understanding of the operation of the Rythu Bazaars scheme all over the State. Insights gained through a perusal of the functioning of the Rythu Bazaars, survey of the opinions and views of farmer-sellers and customers all over the State, observations of the enumerators, interviews with officers, agricultural experts and politicians closely associated with the scheme and functionaries associated with other modes of agricultural marketing have helped the researcher comprehend the processes of marketing and identify deficiencies and shortcomings reducing the effectiveness of the scheme.

**SUGGESTIONS**

The researcher offers the following suggestions for improving the functioning of Rythu Bazaars all over the State and for ensuring the achievement of objectives of the Scheme.

1. The Rythu Bazaar scheme was seen as an important welfare measure introduced by the Telugu Desam Government, which was in power during the period 1996 to 2004. The scheme not only enjoyed financial support but also was seen as a
prestigious scheme of the Government and the political party in power. It cannot be denied that the scheme, post-2004, has lost its importance consequent upon the Congress party coming to power in the State. This has led to reduced financial and administrative support from different Government departments. The researcher opines that in view of the crucial function being performed by Rythu Bazaars all over the State, the Government ought to once again reiterate its commitment to the scheme.

2. The appraisal of the performance of the scheme must take into consideration the objectives of the scheme. The scheme is primarily an attempt to bring about the much-needed reform in the retail-marketing sector for farm produce in urban areas. The introduction and success of the scheme has led to the coming into existence of a number of new marketing channels like Private Bazaars, Municipality managed organised markets, etc. This has provided the much-needed choice for the customers and has made the market very competitive. This has lead to a sincere attempt by traders in different channels to pay more attention to customer-service in order to retain customer loyalty and also attract customers patronising other channels. Any appraisal of the Scheme must take into consideration the impact of the scheme on other channels and the impact on consumer welfare in the market.

3. At present, the administration of Rythu Bazaars is entrusted to Executive Officers, appointed by Government on a contractual basis. It would be naïve to expect such officers to concentrate their attention and efforts for the development of
Rythu Bazaars. Many officers view the assignment only in terms of a prelude to prospecting for better opportunities. The administration of the markets has to be entrusted to representative bodies of farmer-sellers trading at the Bazaars.

4. Rythu Bazaars were introduced by the Govt. of Andhra Pradesh in the year 1999 after a thorough review of existing arrangements for the retail marketing of farm produce in urban areas of the State. A number of new channels have come into existence inspired by the basic concept of Rythu Bazaars. Such channels include private Rythu Bazaars, municipality sponsored Bazaars managed by traders' associations, etc. In addition, a number of channel forms like Up-end Food markets, food stores, etc, which were in the introductory stage in the year 1999 have now become well established. In view of the above factors, there is a need for a comprehensive review of the objectives of the scheme and a need for a re-positioning of Rythu Bazaars, taking into consideration the new marketing conditions and environment.

5. A few Estate officers have taken the initiative in designing and implementing strategies and practices for the more effective functioning of Rythu Bazaars under their control and management. Such practices and strategies have been very productive and useful at the individual Rythu Bazaar level. An attempt should be made to identify all such practices and study the possibility of their deployment in other Rythu Bazaars. The identification of such healthy practices capable of being replicated at the macro-level would go a long way in strengthening Rythu Bazaar scheme.
6. While it is both advisable and feasible to entrust the administration of the larger and more prosperous Bazaars to full-time managers, the administration of small town Bazaars can be handed over to local branches of service organisations with membership of businessmen and professionals like the Lions Club and Rotary Club. The Government of A.P. has been profitably utilising their services in other areas of Government activity like the collection of dues, etc. This step could pave the way for a more pro-active involvement of local populace in the management of the scheme.

7. Large business houses dealing with agri-businesses like sale of fertilisers, pesticides, etc, can be motivated to adopt individual Rythu Bazaars and work for their improvement. Expenditure on such efforts can be declared as eligible for tax deduction. This step would encourage business houses to adopt Rythu Bazaars.

8. Horticultural Officers, deputed by the Horticultural Department of the Government, are required to attend to duties at two/more Bazaars. In many instances, they are undertaking this responsibility in addition to their routine duties at their parent department. They are not able to do justice to their assignment at the Rythu Bazaar. It would be beneficial if the Government utilises the services of retired Horticultural Officers at Rythu Bazaars to advise farmer-sellers and assist farmers in the adoption of better farm practices. They may be permitted to collect consultancy fees from farmers based on a tariff determined by the Government.
9. The study of the researcher has allowed him to conclude that the primary reason for failure of marketing systems to cope with demographic changes during the last three decades has been the failure of the urban planning authorities to set aside land for the provision of essential services in the upcoming residential localities in towns and cities. Urban authorities must insist on the setting aside of land for the development and provision of common facilities and amenities while sanctioning permission for the development of new residential localities in any city / town.

10. Faulty location has been and continues to be a major factor leading to Rythu Bazaars failing to gain clientele support. In many towns, administrators have taken the easy option of situating the Bazaars on land owned by the Government on the outskirts of the town/cities. This makes it difficult for customers to patronise Rythu Bazaars. In some other cases, the location of the markets very close to the central retail markets also has led to unhealthy competition between traders and farmers. There is a need to ensure that Rythu Bazaars, in so far as feasible, are located closer to the residential areas of the city/town.

11. Where it is evident that faulty location is the primary reason for the lack of business in a Rythu Bazaar, the Government must take immediate steps for the relocation of the Bazaar in a more ideal location. This would help farmers gain profitable business. In many instances, bureaucrats are showing a reluctance to take this step due to fears of a possible enquiry into the earlier decision on location and the possible negative fallout of such an enquiry.
12. The operations of unauthorised traders carrying on trade in stalls located on the approach roads to Rythu Bazaars is jeopardising the trade of farmer-sellers operating in the market. In addition, such establishments are becoming centers for the activities of anti-social elements. This has the effect of discouraging customers, especially women customers, from making visits to the market. Every attempt must be made to ensure that such operators are evicted from the surroundings of the markets. If any of the operators are genuine farmers eligible for benefit under the scheme, they should be motivated to register themselves as farmer-sellers and seek admission into the market.

13. Some Estate officers are permitting traders to sell produce outside and adjacent to the Bazaar upon the payment of a nominal fee of Rs. 5 per day. This practice is against the rules and regulations and is detrimental to the interests of farmers, the intended beneficiaries of the scheme. Estate officers must be instructed to desist from allowing traders to operate outside the premises of the Bazaars.

14. Shortage of stalls in some of the more successful and active Bazaars is compelling E.Os. to allow farmers to place their produce for sale outside designated stalls on the floor space of the Bazaar meant to be used as passage for customers. The placing of stocks on the passage creates problems for customers. In addition, farmer-sellers stationed in stalls apprehend loss of business as customers find access to stalls difficult. The Government must take steps for increasing the number of stalls after a thorough review of the situation.
15. Many of the Rythu Bazaars functioning in small towns are not providing adequate business to attract farmers to come to the market on a daily basis. The demand in such small towns does not warrant the functioning of a daily market for vegetables and fruits. In all such cases, the Government can consider the establishment of markets to be run only on weekends or for two days spread over the week.

16. The recent policy of the public sector transport organisation, APSRTC, to rationalise its operations on rural routes of the State has lead to a situation where farmers have to rely on private operators to transport their produce to the urban markets. Tariff charged by such operators is very high (as high as Rs.5 per quintal) and is reducing the profitability of trade at Rythu Bazaar. The Government must prevail upon the management of APSRTC to make adequate arrangement for the transport of farm produce from villages to the Rythu Bazaars.

17. The establishment of Rythu Bazaars has lead to the development of better linkages; physical, commercial and informational, between hinterland villages and urban areas in which the Rythu Bazaars are situated. Movement of farm produce has spurred the operations of private three wheeler- commercial carriers on such “rurban routes” from rural areas to urban areas. They have been successful in providing the much needed flexible, reliable and economic transport service needed by farmers. A decision by the Government to include loans given to such operators under priority sector lending would encourage banks to provide liberal finance at concessional rates to three-wheeler operators.
18. Primary reasons for customer dissatisfaction with Rythu Bazaars include the low levels of cleanliness, the poor quality of structures housing sales counters and the poor arrangements made for garbage disposal at Rythu Bazaars. Such unsanitary conditions are bound to lead to loss in product quality at the markets. These deficiencies in the management of Rythu Bazaars are leading to the development of a “poor image” for the scheme all over the State. Immediate measures must be initiated to maintain hygiene at Rythu Bazaars.

19. Farmers must be instructed to strictly comply with rules regarding conduct at the Bazaars. Practices of some farmers like smoking in the stalls while conducting business, having lunch/breakfast in the stalls, etc, are practices which are not appreciated by customers who expect farmer-sellers to pay full attention to them when they visit the stalls for purchases. Farmers must be advised to strictly desist from such practices which have the impact of tarnishing the image of the scheme.

20. Farmer disputes at the Bazaars are lowering the prestige of the scheme and also providing an opportunity for vested interests keen on sabotaging the scheme to tarnish the image of the scheme. In view of the severe competition for business among farmers dealing with similar produce, disputes are bound to arise between farmers. A formal mechanism for an early arbitration and settlement of disputes must be established at all Bazaars. The services of retired Government employees, willing to offer their services for a honorarium, may be utilised to constitute such committees.
21. Mechanisms established for addressing consumer grievances at the markets are not functioning effectively. Customers believe that their grievances are not being addressed by the Executive Officers. The Grievance Box, which is located in the office of the E.O. is out of bounds for customers because E.Os. normally lock the office room when they are attending to their field duties. There is a need to locate the box in an easily accessible part of the markets.

22. In many Rythu Bazaars, Executive Officers have given up the requirement of allotment of stalls on lottery basis, in the name of convenience. This leads to serious allegations of injustice in the allotment of stalls at the Bazaars. In many instances, disputes over the allotment of stalls have brought disrepute to the scheme. E.Os. of all Bazaars must be instructed to follow the prescribed allotment procedure without fail. In addition, E.Os. must take all steps necessary to ensure transparency in the process.

23. The Government of Andhra Pradesh has required all wholesale dealers to shift their operations to 'market yards' established by the Government outside city limits. However, in most of the cases wholesale traders have managed to continue their operations at the 'old markets' situated within the city limits by the use of delay tactics designed to subvert provisions of the Statute. This is creating unhealthy competition within the trade with the wholesalers also taking up retail business within the town. The Government must take steps to ensure that wholesale business operations are not allowed within the city / town limits.
24. A major source of income for Rythu Bazaars in cities / large towns is the rental income on the auction of parking rights to private contractors. It has been commented by many that parking fees charged for motorised two wheelers is on the higher side (Rs. 2 per vehicle). This has the effect of discouraging purchases at Rythu Bazaars by customers buying vegetables in small quantities. The Government has to ensure that a more reasonable parking fee is collected from two wheeler owners in order to attract more customers to the Rythu Bazaars.

25. Inspired by the success of the Rythu Bazaar scheme, municipalities in a few towns of the State have started a parallel marketing scheme for the benefit of traders. Under the scheme, traders are allowed to sell farm produce in plots of land (owned by the municipality), located at vantage points of the town, upon payment of daily rent. Many municipalities have shown interest in this scheme, lured by the promise of regular income. Establishment of such markets in some towns of the State has lead to a drastic fall in the turnover of Rythu Bazaars located in such towns. Decisions of a similar nature taken by municipalities could sabotage the Rythu Bazaar movement, which is intended to promote the concept of ‘direct selling by farmers.’ The State Government must direct all municipalities to desist from all attempts that could weaken/sabotage the Rythu Bazaar movement.

26. Over the last six years, Rythu Bazaars have become synonyms for vegetable markets. The sale of fruits and processed foods at Rythu Bazaars is negligible and has failed to improve inspite of the many policy initiatives launched by the
Government. There is a need for a concerted effort to encourage co-operative societies marketing fruits to open their counters at the Rythu Bazaars.

27. There is a need to broad base the product mix at the Rythu Bazaars. Rythu Bazaars must be in position to cater to a broader range of needs of the customers. The recent decision of the Government wherein 25 per cent of the stalls shall be made available to traders in food commodities will go a long way in attracting a larger flow of customers to the markets in addition to increasing the revenues of the markets. (through the collection of rent from such non-farmer participants in the Rythu Bazaars).

28. A major source of disputes at the Rythu Bazaars is a lack of clarity on the policy towards bulk sales. The existing policy is honoured more by way of violation than adherence. The policy that no farmer shall process an order of more than 3 kgs. from a customer is extremely restrictive and unrealistic taking into consideration the farmers' desire to clear their stocks as fast as possible and realise quick cash. Farmers ought to be allowed to process all supply orders for less than 10 kgs. and Estate Officers alone ought to be vested with the right to process orders for over 10 kgs.

29. Rythu Bazaars are seen today as low-price markets offering produce of a relatively low quality compared to produce available at the more traditional markets. There is a need to ensure that Rythu Bazaars are viewed as markets dealing with produce of a reliable quality. Estate officers must take all steps
necessary to ensure the entry of produce of an assured quality. They must personally check produce arriving at the market early morning everyday.

30. The demand for processed foods, especially of the traditional variety like pickles, powders of condiments and chutneys is picking up fast in Rythu Bazaars all over the State. Every opportunity for popularising the product range of small-scale operators should be explored and exploited. The primary attraction of the produce lies in its relatively low price and substantial sales volumes can be built for such produce in case customers perceive the fact that such products offer a promise of reliable quality.

31. Grading of farm produce would help farmers who bring farm produce of a high quality gain a premium for their produce. This alone can increase quality consciousness among farmers. In addition, the adoption of standard grades would also help Rythu Bazaars build a reputation for quality and attract the quality conscious segment of customers in the market.

32. Rythu Bazaars can attract loyal and regular customers only when they succeed in satisfying consumer needs throughout the year. At present, Rythu Bazaars are able to satisfy consumer needs only during the season favourable for the production of vegetables and fruits indigenous to the locality. Efforts ought to be made to encourage farmers to take up the cultivation of vegetables promising a good crop in what are presently viewed as lean periods for vegetable cultivation. Only when Rythu Bazaars offer an assured supply of a range of products throughout the year can they hope to build up a loyal customer base.
33. Customers patronising Rythu Bazaars have expressed dissatisfaction with the choice available in the market for different products. A larger choice will be available to customers only when more farmers report at the market on a very regular basis. The officers in charge of Rythu Bazaars must be instructed to make more visits to villages for the purpose of motivating and mobilising more farmers to participate in the Scheme. They must identify factors inhibiting farmer participation in the scheme and they must take all steps necessary to overcome such factors. Estate officers must also take the help of farmers coming to the market regularly for mobilising other farmers.

34. The study has brought to light the fact that storage facilities, in the strict sense of the term, are virtually non-existent at the Rythu Bazaars all over the State. Farmers try to avoid the need for overnight storage of the produce by disposing off stocks at a throwaway price at the end of the day’s business. Farmers leave the produce, unprotected, on the floor of the Bazaar in case it becomes unavoidable. To many of the farmers, modern storage is an unknown concept. The Government must take all steps necessary to operationalise ambitious low cost storage system plans, based on alternative technologies, that even today remain only on paper.

35. One of the major reasons for consumer dissatisfaction with Rythu Bazaars is the prevalence of unreliable weighment practices at the markets. Many farmer-sellers do not use standard weighing equipment. Lack of security for weighing scales left overnight at the markets is the main reason for farmer reluctance to use them.
A locker room for the storage of weighing equipment must be provided at all Rythu Bazaars.

36. Weighing scales are being issued to farmers for a nominal rent of Rupees two per day at a few Rythu Bazaars in the State. This facility is being widely used wherever Executive Officers have taken the initiative. Farmers find it very convenient to hire scales for the day as they are effectively relieved of the need for carrying scales with them every day. The same facility could be extended to farmer-sellers at all Bazaars by the issue of a circular / letter directing E.Os. to make necessary arrangements for extension of the facility in their Rythu Bazaars.

37. The Rythu Bazaars scheme provides for the sale of farm inputs like seeds, fertilisers and pesticides at fair / subsidised prices within the Bazaar premises under the supervision of officers of the Rythu Bazaar. However, the response of farmers to this facility has been lukewarm ever since the inception of the scheme. It is evident that farmer-sellers, for a variety of reasons, prefer purchase of inputs in their own villages. In view of the fact that farmers are reluctant to buy inputs at the Bazaars, it is advisable for the Government to discontinue the facility. This would help avoid the recurring losses on the continuation of the scheme.

38. The policy guidelines of the scheme requiring the fixation of prices at a level lower by atleast 25% compared to the prices at the central retail market is robbing the farmer of the opportunity of earning a reasonable profit margin. The suggestion forwarded by a number of farmers that the prices at Rythu Bazaar be
pegged in relation to prevailing prices in the locality-specific retail markets deserves serious consideration.

39. The presence of benami farmers or traders impersonating as farmer-sellers is a serious problem being encountered at Rythu Bazaars all over the State. The presence of such traders is tarnishing the image of the scheme itself and encouraging demands for the winding up of the scheme. While the existence of such traders is a fact, it does not warrant doing away with the scheme. The Government has to take very serious view of the problem and serious punitive measures have to be initiated against all Government officers whose collusion and cooperation with impersonators alone could have enabled the entry of such impersonators into the scheme.

40. Farmer reliance on high-cost funds borrowed from moneylenders and pawn-brokers is a primary cause for low incomes of farmers. Estate officers can prevail upon the branch managers of nationalised banks / co-operative banks in the town/city to provide loans to farmer-sellers trading at the Rythu Bazaars at low rates of interest treating such loans as loans to priority sector units. Farmers could be persuaded to repay small amounts on a daily basis from out of the sale proceeds of the day. This measure would help release many farmers from the clutches of money lenders and pawn brokers.

41. Lack of basic amenities at the Rythu Bazaars is a major problem faced by all farmer-sellers trading at the Rythu Bazaars. While this is a cause of inconvenience and discomfort to all farmers, it is the women-farmers who are put
to far greater inconvenience at the Rythu Bazaars. Estate officers must be
directed to ensure that women-farmers have access to basic amenities like toilets
and rest-rooms at the Rythu Bazaars.

42. No fee is collected from farmer-sellers operating stalls in the Rythu Bazaars. The
Government is very reluctant to consider proposals for the collection of even a
nominal fee from participant farmers. There is no logical ground for the
reluctance to collect a nominal fee. Proposals have often been made for the
collection of a fee. Income earned from collection of such a fee can be utilised for
the provision of better amenities to farmers and customers and for common
publicity. A fee of Rs.15 – Rs. 20 per day can be collected in the larger towns and
cities and a fee of Rs.10 can be collected in the small towns.

43. Women in rural Andhra Pradesh have been very active in the Self-help movement
and women’s S.H.Gs. have been very successful in A.P. This achievement is
primarily due to the Government focus on women empowerment in the State
through the D.W.C.R.A. (Development of Women and Children in Rural Areas)
and D.W.C.U.A. (Development of Women and Children in Urban Areas)
schemes. The researcher believes that a similar focus of all Government efforts
on the encouragement to mens’ Self-Help movement would yield rich dividends
and strengthen the Self-Help movement in the State, in addition to being
beneficial to individual farmers.

44. Most of the farmers coming to the Rythu Bazaars are small and marginal farmers.
The scale of their operations does not make a visit to the Bazaar every day a
viable proposition. In view of the above fact, there is a need to revitalise the co-operative movement, especially in the marketing sector. Representatives of the co-operative society can come to the market with the produce of the members of the society. This will help small farmers reap the benefits of large-volume marketing.

45. A major factor leading to consumer dissatisfaction with Rythu Bazaars is the perceived lack of courtesy on part of farmer-sellers in their dealings with customers. A thorough review of the situation helps us to conclude that differences in culture, language and social norms between farmers who come from rural areas and city-based customers is the primary reason for farmer inability to rise up to the expectations of customers. Farmer training must concentrate on imparting skills required by farmers to gain the goodwill and confidence of customers.

46. Rules of the scheme require that the farmer-sellers always carry their Identity cards with them. Farmers are required to produce them for inspection on demand by officers. It would be better if farmer-sellers are required to wear the Identity cards so that they can be easily identified by the customers. In addition, such an action would help farmers identify themselves with the scheme and draw pride from their participation in the scheme.

47. Government agriculture extension efforts have not met with significant success. In addition, the gradual withdrawal of the Government from active intervention and participation in the agriculture sector has weakened extension efforts in
villages. The Government can utilise the services of corporate agri-business units to provide training to farmers operating at the Rythu Bazaars. Business houses willing to provide extension services at an identified Bazaar may be allotted a stall at the Bazaar for sale/display of their product range.

48. The long-term objective of the scheme is to prepare farmers for the ultimate takeover of the management of the Rythu Bazaars allowing the gradual disengagement of the Government from the day-to-day management of the markets. Major factors precluding farmer participation in the management of these markets include the low level of functional literacy of farmers, lack of social skills and the resultant reluctance to take an active part in social life. Training programmes for farmers must include well designed intervention strategies for raising the levels of social skills and social confidence of farmer-sellers participating in the Rythu Bazaar Scheme.

49. Processed food manufacturers are unable to find a market for their products, primarily due to lack of marketing skills. While they have been provided training in the technical aspects of the business, their skills in the areas of general management and marketing are very poor. The Government must ensure that processing unit owners having stalls at Rythu Bazaars are exposed to professional training in these areas.

50. A major lacuna in the management of the scheme has been the inability of the Estate Officers in charge of Rythu Bazaars to actively counteract adverse publicity propagated by vested interests intent on sabotaging the scheme. Officers
have been slow and lethargic in their reaction to such attempts by vested interests. There is a need for more effective handling of all such attempts.

51. Estate Officers, in charge of the affairs of a few Rythu Bazaars, are resorting to 'window-dressing' while submitting periodical 'Returns' to the controlling authority. E.Os. are reluctant to report poor performance as it may lead to the controlling authority taking a decision to suspend operation of the scheme in the designated town/city. Employees at Bazaars with poor performance feel threatened and to avoid possible loss of employment, they resort to manipulation of information. There must be a more effective scrutiny of Returns submitted by E.Os.

52. Regular surveys and studies of the functioning of Rythu Bazaars will help the Government streamline the performance of the Bazaars. The Government can profitably use the services of the staff and students of Government/Aided colleges to conduct such surveys and studies.

53. About 20 of the 102 Rythu Bazaars are virtually sick. Activities in such Bazaars are on a low key. The volume and value of business at the markets does not justify the continuance of operations. However, there is adequate scope for the development of business in at least 50 per cent of these sick bazaars. The Government should constitute Revival Committees consisting of the representatives of farmers, customers, officers, the media, public interest organisations and leading citizens of the town/city to come up with plans for
streamlining the operations of the bazaar. This measure would increase public participation and public confidence in the scheme.

54. Non-Governmental Organisations (NGOs) have come to play a very important role in the management of social affairs during the recent years. NGOs have played a stellar role in the vitalisation and reform of a number of social institutions. The Government must establish formal mechanisms facilitating the involvement of NGOs in the Rythu Bazaar movement all over the State.

55. Frequent visits by Ministers, M.L.As., M.Ps. and V.I.Ps. to Rythu Bazaars would bring the much needed publicity for the markets. During the recent years, such functionaries have not been making frequent visits to these markets. The Government must formally request / direct such officers/dignitaries to visit Rythu Bazaars situated in towns/cities included in the itinerary of these functionaries, inspect them and forward a report of their observations to the Directorate of Marketing, Govt. of Andhra Pradesh. In addition to bringing publicity for the scheme, such a measure would also lead to a better control and supervision of the scheme.