Introduction and Design of the Study
CHAPTER – I

INTRODUCTION AND DESIGN OF THE STUDY

INTRODUCTION

Marketing is a process whereby the producer and the buyer are brought together. The producer refers to all those engaged in farming land. The conditions of farming may, however, differ with some areas under peasant proprietorship system, some under landlord tenant system, some under cooperatives, and some under state farms. The buyers are classified under three main categories: consumers who buy for their direct consumption such products as wheat, rice pulses etc. Processing / manufacturing and traders who buy agricultural products, raw or processed for exports. The marketing or agricultural produce involves several activities such as collecting and storage of agricultural goods, their transportation to sales point / mandies, their gradation, settlement of bargains etc. In the performance of this sale purchase function, marketing agencies render valuable service to the economy on several counts.

FUNCTIONING OF ECONOMY

A proper marketing system is the basic essential for a healthy functioning of the economy. It is more so far the Indian agriculture, which is becoming increasingly dependent upon exchange through the sale of its products and purchase of inputs and consumer goods. The number of farmers with surpluses
to sell is on the increase. Besides, their need for cash is also going up. The existence of a goods marketing system is an assurance to the farmer that his produce will be taken off the field. Equally importantly such a system will indicate to the farmer the type of goods for which demand exists and the quantities in, which these goods are needed. This will thus not only complete the process of production by providing a link between the producer and the buyer, it will fulfill the needs of the farmers, and the buyers.

**ECONOMIC DEVELOPMENT**

A good marketing system is helpful in the economic development of the country, as agriculture, which predominates in the Indian economy, has much to contribute to it. A proper marketing arrangement can organize Surpluses from this sector. These are required to be used in the non-agricultural sector to feed the industrial labour and urban population, as also to provide raw materials for industries and goods for exports. Two, a marketing system in its role in a passive form (i.e., as provider of trade channels / distributive agencies) can help much if the cost per unit of the traded product is the least of minimum. This has relevance for both the existing products with existing demands and for the new products with new demands.
THE TASK OF MARKETING

Agricultural marketing consists of all the activities, functions and institutions involved to move farm products from the point of primary production to the point of ultimate consumption. The task of agricultural marketing is to supply farm products in the right quantity needed at prices, which are fair to the producers and the consumers, with the minimum of economic waste, and to reflect changes in demand and supply. According to National Commission on Agriculture (1976), Agricultural marketing is a process which starts with a decision to produce a salable farm commodity and it involves all aspects of market structure or system, both functional and institutional, based on technical and academic consideration and includes pre and post harvest operations, assembly, grading, storage, transportation and distribution.

As indicated earlier, Marketing plays a very important role not only in stimulating production and consumption, but also accelerating economic development. The success of any agricultural development program rests ultimately on the efficiency of the marketing system. The benefits of development program can reach the producers only through efficient agricultural marketing system.
NEED OF FARMERS MARKET

Agricultural marketing, which used to be a simple process in the past, is now becoming highly complex. It involves a large number of intermediaries and physical and facilitating service across the country in handling a large number of agricultural commodities, which are seasonal, bulky, and some of them are highly perishable. The marketing process is further complicated as the majority of the farmers are small, illiterate, unorganized, scattered all over the country and have very little time and knowledge for the marketing of their produce. Further, often already being in debt, they are forced to sell their meager marketable surplus immediately after harvest in the village money lender at unfavourable price.

Moreover, the system of agricultural marketing is saddled with a long chain of middlemen between cultivators and the ultimate consumers, and they take away the lion's share of the price paid by the consumer. In the market, the mal-practices involving manipulation of weights and measurement and arbitrary deductions from both buyers and sellers are still prevalent. In addition, there are inadequate arrangement for grading, standardization, market information, storage and transport.

Vegetable production systems in the tropical and developing countries can be considered "anthropomorphic" (Richter 1995) because its production is determined by large population demands in this country nearly 70 percent of the
total vegetable production is consumed by the urban and semi urban markets of metropolitan cities and towns. Further the main consumers of vegetable are predominantly the middle-income group, besides the upper strata of society.

The former segment, probably 300 million strong, having the purchasing power and health consciousness, influences the market demands. Naturally, there is a progressive increase in the urban market demand, because of the rising percentage of this segment of population. But the local production near the cities, and towns has not been sufficient to meet these demands for diverse kinds of vegetables.

This requirement is met from distant production centers where specialize with the improvement in road transportation and telecommunication facilities, vegetable farmers in remote regions are now able to know the price levels and demands of these urban markets. This lopsided consumption of vegetables, in favours of the urban population, it is also prevalent in the case of milk and eggs. Current scenarios in the past three decades, vegetable production increased from 23.45 million tones (1961-65) to 38.50 million tones in 1986.

According to the latest estimates of the National Horticultural Board\(^1\), the national production stood at 72.83 million tones from a cropped area of 5.6 million hectares in 1997-98 with India taking the second position (next only to china) in the world. However, this production does not meet our requirements of 285 gm person per day for a balanced diet. There is a need to achieve the target
of 100 million tones for the supply of 250 gm of vegetables per person per day to our population of one billion. These projections are very high, considering the annual growth rate in production to be only of the order of 2.6 percent.

**STATEMENT OF THE PROBLEM:**

The era of farmers Market (Uzhavar Sandai) in India started in the year 1987 with the establishment of first Farmer’s Market in Punjab. Latter the system was followed in Andhra Pradesh and Tamilnadu. In Tamilnadu at present there are 102 farmers markets serving the consumers all over Tamilnadu. Not with standing the efforts of the government in raiding their standard of living in a pang of poverty. Agriculture is still considered to be a hand to mouth proposition. Several studies have revealed that the intermediaries (Brokers) take away a lion’s share of the price paid by the consumers.

1. To what extent are the farmers market (Uzhavar Sandai) utilized by the consumer and why?

2. What are the advantages accrue to the utilisers in farmer’s market (Uzhavar Sandai) and

3. Whether utilisers consumers face any problems in utilizing the farmers markets. (Uzhavar Sandai)
OBJECTIVES OF THE STUDY

In order to probe into the above issues the study has the following objectives.

1. To study functions of Uzhavar Sandai in general and that of the selected town in particular.

2. To identify the factors influencing to utilize the Uzhavar Sandai by the consumers.

3. To study the problems faced by the consumers of Uzhavar Sandai.
METHODOLOGY

The study covered both primary as well as secondary data. Primary data was collected from participating 200 consumers. For this purpose field survey technique was be used. For collecting the data, a well-structured questionnaire and interview schedules were prepared with the help of the guide and experts in the filed. Sample random sampling method was adopted for selecting the sample respondents from participating consumer. Since the researcher himself is an agriculturalist, collection of data from the primary sources made easier.

Besides the primary data, Secondary data was also collected for this study. The researcher has collected pertinent data from leading journals of agricultural marketing and referred the relevant periodicals from the library of Agricultural University and documents Published by ICAR, Government of India, New Delhi as well as Government of Tamilnadu records.

The data so collected were systematically arranged and tabulated in the form of tables. Simple statistical tools like percentage average, range, standard deviation, two way table and Chi-square test were employed for data analysis and interpretation.
PERIOD OF THE STUDY:

The study confined to the period of one year, from September 2005 - August 2006. The data collection from the primary and secondary sources took six months. Preparation of master table, data analysis and interpretation took one another four months. To present the data in the form of report took another two months.
SCOPE OF THE STUDY:

Farmers are cultivating vegetables and fruit crops, in addition to food crops and cash crops for their daily income. Every local Sandai is dumped with the vegetables by the farmer from near by villages, but mostly they are returning to their home only with a meager amount of money, which may not be equal to the cost of cultivation. Most of the lion share of profit is taken away by the intermediaries. With the escalating cost of fertilizer, wages and pesticides, they are not getting remunerative prices for their vegetables and fruits.

Because of the introduction of Uzhavar Sandai Scheme in Tamil Nadu now the farmers are able to get extra 50 to 100 Rupees daily by selling their produce directly to the consumers. Consumers are also satisfied by the price, offered at Uzhavar Sandai. This study will help how the Uzhavar Sandai is utilized by the consumers. The results would help the policy makers strengthen the existing Uzhavar Sandai for better performance.
LIMITATIONS OF THE STUDY:

1. The study was confined to Salem town of Tamil Nadu. Survey method was adopted for collecting relevant data, which may be biased in the assessment of order Uzhavar Sandai in other districts.

2. It is also tedious to survey all the 102 Uzhavar Sandai over the entire state within in short span of time.

3. The implication of the study has to be used with caution before generalization as the study was confined to Salem town as a particular point of time.
CHAPTER SCHEME

In this first chapter contains the introduction about the study, Farmers problem in marketing, statement of problem, objectives of the study, Methodology, Period of the study, scope of the study and Limitations of the study.

Chapter II deals the origin and development of Uzhavar Sandai, price spread of vegetables, Uzhavar Sandai concept in Tamilnadu, District wise Uzhavar Sandai, Uzhavar Sandai in Salem town.

Chapter III covers the profile of the study area like Location, Taluks and Panchayat unions, Physiography, Roads and Railways, Drainage and River Basins, Rainfall, Land use pattern, Crop area, Sources of irrigation and Soils and crop suitability.

Chapter IV reveals the Data Analysis and Interpretation.

Chapter V gives the major Findings, Suggestions and Conclusion.
CHAPTER – II

ORIGIN AND DEVELOPMENT OF UZHAVAR SANDAI

INTRODUCTION:

In India where majority of the population is vegetarian, vegetables have an important place, in human diets as in the cropping pattern. In the state of Punjab, the area under fruits and vegetables has increased significant in recent years from 0.92 lakh hectares in 1981-82 to 1.35 lakhs hectares in 1987-88, at present the state produces about 5.2 lakhs tones of fruits and about 13.3 lakh tones vegetables annually.

ORIGIN AND DEVELOPMENT OF UZHAVAR SANDAI:

The increased production has given rise to many marketing problems. The producers, of these products do not get their due share in the consumer rupee which can be attributed to the inadequate and, remunerative arrangements available from marketing of these commodities. This situation is further aggravated due to their perishable nature, multiplicity of middlemen and lack of processing facilities for these form products in the state. Various research studies conducted at Punjab Agricultural University\(^1\) indicate that producers get only 30-40 percent share in the consumer rupee for these fruit and vegetables in the prevalent marketing system. A lion’s share was found to be absorbed by a long
chain of middlemen without adding matching utility to these products. On the other hand, the city consumers of fruits and vegetables have to pay exorbitant prices for low quality products and this do not get satisfaction for the rupee spent on these items.

All this indicated that the producers / farmers as well as the consumers were playing into the hands of the middlemen traders and got exploited. To get rid of this evil an effort was made by the PUNJAB MANDI BOARD to organize "Farmer's Markets" where the producers could sell their products especially fruits and vegetables direct to the consumers eliminating the middlemen. These markets are based on "English Saturday Market Concept" by eliminating the intermediaries completely. In these markets it was made possible to get better price to the producers and reasonably low price for the consumers. Hence these markets belong both to the producers as well as the consumers that is why they are called "APNI MANDI" in the state of Punjab.

Apni Mandi was started in February, 1987 at Chandigarh to be followed by other cities of the state with the following objectives in view:

1. To create a better marketing alternative especially for fruits and vegetable crops;

2. To ensure the availability of farm fresh products at reasonable rates and there by discipline the profit-margins of the trade in the traditional market system;
3. To bring the producers in direct contact with consumers in order to encourage production according to the consumer preferences and tastes;
4. To eliminate social inhibitions among the farmers and inculcate the habit of retail sale of their produces themselves;
5. To help diversification of cereal-based farm economy of the state through enhancing the profitability of these enterprises / crops;
6. To encourage self-employment opportunities at the small farms and enhance their incomes in order to promote overall economic development of the rural economy.
7. To promote national integration through inviting participation of producers of neighboring states in Apni Mandis of Punjab State.

WORKING OF APNI MANDI SCHEME

Apni Mandies are organized by the Punjab Mandi board through Market Committees. The farmers who are registered and issued identify cards after verifications are allowed to sell fresh fruits and vegetables at seasonable price grown by them their own fields directly to the consumers, eliminating middlemen. The profit / margins of the middlemen are shared by producers and consumers enhancing the distributional efficiency of the marketing system.
SCOPE OF APNI MANDI:

The scheme is applicable to the commodities listed schedule under the Punjab Agricultural Produce Markets 1961. To begin with the selling of fruits and vegetables taken Honey and eggs were also allowed for sale in Mandi to encourage these subsidiary occupation. During 1988, wheat was also sold in Apni Mandi, after through cleaning, weighting and stitching mechanically at the Mecha-Handling units installed by the board in 8 Markets in the state. The farmers are also encouraged to sell pulses in Apni Mandi.

REGISTRATION OF FARMERS:

Secretary Market Committee can participate in Apni Market Committee can participate in Apni Mandi. This is done to ensure that only the real producers / farmers who grow these products take part in such markets, and no intermediaries is allowed to enter or sell purchased item in Apni Mandi. The farmers desirous to participate get their name registered giving their full particulars such as full address, land owned and cultivated, crops grown and future plan crop rotation etc. After physical verification, the selected farmers are given identify cards (with photographs) which they have to wear at the time of Mandi.
SELECTION ON SITE:

Apni Mandi site is generally selected which is spacious to accommodate large number of producers who bring their produce his carts and tractor trolleys and the consumers who often visit with their transport-vehicles. It should be a place which is frequently visited by people and where consumers are concentrated. The idea is that more and more consumers and farmers visit and take advantage of Apni Mandi.

PRICE FIXATION

The rates of different items of fruits and vegetable are fixed keeping in view the wholesale and retail rates prevalent in the traditional market on that particular day. The general policy is to keep these rates 20 - 25% below the retail prices in the open market. Same quantum of benefit is assured to the producer sellers while fixing the rates of products in Apni Mandis. The daily rates of different fruits and vegetables are displayed on the “CENTRAL RATE BOARD” as well as the rate plates fixed at the sale counters for the benefit of the consumers to avoid higging and other mal-practices in these markets, complaints regarding excess price charge and under weighment by producers are entertained by the Market Committee staff on duty.
INFRASTRUCTURAL FACILITIES:

To encourage farmers the Apni Mandi Board provides transport, storage, grading and market intelligence services to the producer – sellers. In Apni Mandi basic infrastructural facilities like space, shamyanas, table and sale counters weighing instruments and even packing material (carrying bags) for some period are provided free of cost to the farmers. However, when these markets stabilize, some of these facilities are withdrawn and to meet expenses for holding these markets, registration fee and entry fee are levied which is paid by the farmers happily.

At the farm level, extension services are provided by the Department of Agriculture, Horticulture and banks are pooled in for securing the benefit of ongoing Government schemes to Apni Mandi Farmers. These benefits include input subsidies better quality seeds, loans at concessional rate of interest and better packages of practices etc. Arrangements of drinking water, cleanliness, regulation of traffic, stay arrangement for the farmers, publicity etc., are also made by the Mandi Board / Market Committees according to the needs.

COMPARISON OF DIFFERENT CHANNELS OF MARKETING:

In order to know / assess the marketing efficiency in Apni Mandi vis-à-vis other traditional channels of marketing a survey was conducted at Ludhiana. Ludhiana Market was purposively, selected as it is one of the big markets in the state. Also Apni Mandis are held thrice a week in this city.
Three important vegetables of the season i.e., Bhindi (Bhendi), Baingan (Bringal) and Arbi (Colcasia) were selected as these were sold in all the channels / markets selected. The data (secondary) were collected since the first week September, 1988 for three days because Apni Mandis were organized on these days only. A sufficient number of wholesalers, retailers, producers and consumers in traditional marketing system as well as in Apni Mandi were interviewed. Comprehensive data on mode of transport, cost of transportation, loading, unloading, grading, market fee, rural development fund, Commission of Kucha Arhtiyas, Octroi, etc., were calculated at different levels of marketing.

There were three following important channels used by the farmers:

i. Producer - Wholesaler - Retailer - Consumer

ii. Producer - Retailer - Consumer

iii. Producer - Consumer (Direct sale in Apni Mandis)

The important results of the survey for the selected vegetable are discussed below.
CHANNEL 1

The wholesalers generally deal in vegetables, which are relatively less perishable and could be sold next day if not disposed off the same day. The price spreads for this channel given in table show that on an average the net share of producers in the consumer rupee was 46 percent ranging from 37% in (Colocasia) Arbi to 52% in (Bringal) Baingan. The remaining share of the consumer rupee was absorbed by the market functionaries. The net profit of wholesaler and retailer on an average was found at 12% and 31% respectively which seems to be excessive than the utility added to these products by these middlemen.
### TABLE NO 2.1.1.

**PRICE SPREAD THROUGH CHANNEL - 1**

*(PRODUCER - WHOLESALER - RETAILER - CONSUMER)*

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Bhendi</th>
<th>Bringal</th>
<th>Colocasia</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net price received by Farmer</td>
<td>254.7</td>
<td>265.3</td>
<td>101.5</td>
<td>207.2</td>
</tr>
<tr>
<td></td>
<td>(48.5)</td>
<td>(51.8)</td>
<td>(36.8)</td>
<td>(45.7)</td>
</tr>
<tr>
<td>Cost incurred</td>
<td>10.3</td>
<td>7.2</td>
<td>7.1</td>
<td>8.5</td>
</tr>
<tr>
<td></td>
<td>(2.0)</td>
<td>(1.4)</td>
<td>(2.6)</td>
<td>(2.0)</td>
</tr>
<tr>
<td>Farmers Sale price / Wholesalers purchase price</td>
<td>265</td>
<td>272.5</td>
<td>108.6</td>
<td>215.4</td>
</tr>
<tr>
<td></td>
<td>(50.5)</td>
<td>(53.2)</td>
<td>(39.5)</td>
<td>(47.7)</td>
</tr>
<tr>
<td>Cost Incurred</td>
<td>19.8</td>
<td>29.0</td>
<td>10.0</td>
<td>19.6</td>
</tr>
<tr>
<td></td>
<td>(3.80)</td>
<td>(4.60)</td>
<td>(3.6)</td>
<td>(4.4)</td>
</tr>
<tr>
<td>Margin / Profit</td>
<td>52.7</td>
<td>66.0</td>
<td>34.3</td>
<td>51.0</td>
</tr>
<tr>
<td></td>
<td>(10.0)</td>
<td>(12.5)</td>
<td>(12.5)</td>
<td>(11.8)</td>
</tr>
<tr>
<td>Wholesalers sale price / Retailers purchase Price</td>
<td>337.5</td>
<td>367.5</td>
<td>152.9</td>
<td>286.0</td>
</tr>
<tr>
<td></td>
<td>(64.3)</td>
<td>(71.7)</td>
<td>(55.6)</td>
<td>(63.9)</td>
</tr>
<tr>
<td>Costs Incurred</td>
<td>19.0</td>
<td>21.0</td>
<td>17.6</td>
<td>19.2</td>
</tr>
<tr>
<td></td>
<td>(3.6)</td>
<td>(4.1)</td>
<td>(6.4)</td>
<td>(4.7)</td>
</tr>
<tr>
<td>Margin / Profit</td>
<td>168.5</td>
<td>124.0</td>
<td>104.0</td>
<td>132.3</td>
</tr>
<tr>
<td></td>
<td>(32.1)</td>
<td>(24.2)</td>
<td>(38.0)</td>
<td>(31.4)</td>
</tr>
<tr>
<td>Retailers sale price / Consumers price</td>
<td>525.0</td>
<td>512.5</td>
<td>275.0</td>
<td>437.5</td>
</tr>
<tr>
<td></td>
<td>(100.0)</td>
<td>(100.0)</td>
<td>(100.0)</td>
<td>(100.0)</td>
</tr>
</tbody>
</table>

Figure in parentheses indicate percentage of consumer price.

**Source:** Apni Mandi Published by Punjab Mandi Board
CHANNEL II

This was found to be most common channel used for marketing of vegetables in the state. In this channel wholesaler who happens to be a superfluous agency has been eliminated and the retailers purchase their requirements directly from the open auction. The costs and margins of the wholesaler shared between the retailer and the producer. In the channel the producer got a better price and hence, his share increased to 51% of the consumer rupee (Table - 2.1.2). Similarly, the net profit of the retailer increased to about 40% of the consumer rupee. By elimination of wholesaler, the producer, received about $\frac{1}{3}$ of the profit retained by the wholesaler and the remaining $\frac{2}{3}$ was packeted by the retailer. In this channel, the marketing cost has also been reduced to 9.7% of the consumer rupee as compared with 11.1% in Channel I.
## TABLE NO 2.1.2

**PRICE SPREAD THROUGH CHANNEL-II**

*(PRODUCER - RETAILER - CONSUMER)*

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Bhendi</th>
<th>Bringal</th>
<th>Colocasia</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net price received by Farmer</strong></td>
<td>256.5</td>
<td>278.0</td>
<td>121.9</td>
<td>218.8</td>
</tr>
<tr>
<td></td>
<td>(10.0)</td>
<td>(56.4)</td>
<td>(45.3)</td>
<td>(50.6)</td>
</tr>
<tr>
<td><strong>Cost incurred</strong></td>
<td>11.0</td>
<td>9.1</td>
<td>9.4</td>
<td>9.8</td>
</tr>
<tr>
<td></td>
<td>(2.2)</td>
<td>(1.9)</td>
<td>(3.5)</td>
<td>(2.5)</td>
</tr>
<tr>
<td><strong>Farmers Sale price / Retailer purchase price</strong></td>
<td>267.5</td>
<td>287.1</td>
<td>131.5</td>
<td>228.6</td>
</tr>
<tr>
<td></td>
<td>(52.2)</td>
<td>(58.3)</td>
<td>(48.8)</td>
<td>(53.1)</td>
</tr>
<tr>
<td><strong>Cost Incurred</strong></td>
<td>27.5</td>
<td>166.7</td>
<td>114.7</td>
<td>166.3</td>
</tr>
<tr>
<td></td>
<td>(42.4)</td>
<td>(33.7)</td>
<td>(42.7)</td>
<td>(39.7)</td>
</tr>
<tr>
<td><strong>Margin / Profit</strong></td>
<td>217.5</td>
<td>166.7</td>
<td>114.7</td>
<td>166.3</td>
</tr>
<tr>
<td></td>
<td>(42.4)</td>
<td>(33.8)</td>
<td>(42.7)</td>
<td>(39.7)</td>
</tr>
<tr>
<td><strong>Retailers purchase price / Costs incurred</strong></td>
<td>512.5</td>
<td>492.8</td>
<td>268.7</td>
<td>424.7</td>
</tr>
<tr>
<td></td>
<td>(100.0)</td>
<td>(100.0)</td>
<td>(100.0)</td>
<td>(100.0)</td>
</tr>
</tbody>
</table>

**Source:** Apni Mandi Published by Punjab Mandi Board
CHANNEL II

This channel i.e., Sales through Apni Mandi provide a direct contact between producers and consumers. All the middlemen were eliminated. In this noble experiment, the producers got about 96.8% of the consumer rupee. The items of expenditure / cost incurred by the farmers were loading, transportation, unloading grading and packing of these products. A comparison of the price spreads in these three channels reveal the longer the channel, lower the share of producer in the consumer rupee. The consumers also, had to pay higher price, as every middlemen in the channel costed them. The channel III (Apni Mandi) showed better marketing in the efficiency as the products were distributed to the consumers with minimum cost and wastages and hence at lowest price and producers share was maximum in consumer rupee.
### TABLE NO 2.1.3

PRICE SPREAD THROUGH CHANNEL - III

(PRODUCER - CONSUMER)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Bhendi</th>
<th>Bringal</th>
<th>Colocasia</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Price Received</td>
<td>391.4</td>
<td>389.6</td>
<td>187.4</td>
<td>322.8</td>
</tr>
<tr>
<td>By Farmer</td>
<td>(97.8)</td>
<td>(97.4)</td>
<td>(93.7)</td>
<td>(96.8)</td>
</tr>
<tr>
<td>Cost incurred</td>
<td>8.6</td>
<td>10.4</td>
<td>12.6</td>
<td>10.5</td>
</tr>
<tr>
<td></td>
<td>(2.2)</td>
<td>(2.6)</td>
<td>(6.3)</td>
<td>(3.2)</td>
</tr>
<tr>
<td>Consumer Price</td>
<td>400.0</td>
<td>400.0</td>
<td>200.0</td>
<td>333.3</td>
</tr>
<tr>
<td></td>
<td>(100.0)</td>
<td>(100.0)</td>
<td>(100.0)</td>
<td>(100.0)</td>
</tr>
</tbody>
</table>

Figures in parentheses indicate percentages of consumer price.

**Source:** Apni Mandi Published by Punjab Mandi Board
OTHER BENEFITS OF APNI MANDI:

PRODUCERS:

i. Remunerative prices which increase farm income and encourage crop diversification in favor of high value crops.

ii. Direct contact with consumers help to know consumer preference and behaviour, which helps in adjustment of cropping pattern as per demand.

iii. Producers get rid of clutches of middlemen who often exploit them.

iv. Cash payment on the spot.

v. Packing material is saved, which can be used again and again alternative better channel of marketing is available which removes social inhibition.

CONSUMERS:

i. Fresh and high quality products are made available.

ii. Reasonably low price is charged

iii. Gains through by the farmers compared with traders

iv. Better behaviour / trade dealings by the farmers comparison with the retailers

v. Bulk availability and better storability of vegetables in Apni Mandi to meet requirements for a week.
PROGRESS OF APNI MANDIS:

The first Apni Mandi was started modestly at Chandigarh in February 1987. After successful experimentation, Apni Mandi scheme was extended to five more densely populated cities of state during May 1988. At present these are organized in 20 different cities of the state. During May 1987, only 88 farmers were the participants in Apni Mandi, which has increased to 877 during the month of August 1988.

The value of products sold in Apni Mandi has increased from Rs. 3.55 lakhs in May 1987 to Rs. 21.13 Lakhs during May 1988. This sale were of the order of Rs. 23 Lakhs during July 1988 during last 2 months i.e., August and September the sales declined due to heavy rains in July and Floods in September, which damage the vegetable crops in the state.

The Apni Mandi Scheme has been a noble experiment adopted by Punjab Mandi Board, which brings produces and the consumers into the direct sale contact with each other. It has enhanced the market distributional efficiency in fruit and vegetable by completely eliminating the trade and ensuring farm fresh products to the consumers. It has really proved to be a blessing for the farmers and a boon to the consumers.
ARRIVALS AND PRICES:

Details of variation in arrivals and prices of vegetables in Chandwa and Kamachcha markets are presented in table. The coefficient of correlation (r) calculated from this table indicates that the range of percentage variation in prices is positively correlated (Value of r being 0.75 for Chandwa and 0.99 for Kamachcha market calculated by mark correlation method) with that in arrivals of vegetables in these markets.
# TABLE NO 2.1.4

## VARIATION ARRIVALS AND PRICES OF VEGETABLES IN CHANDWA AND KAMACHCHA MARKET DURING 1993-94

<table>
<thead>
<tr>
<th>VEGETABLES</th>
<th>DAILY ARRIVALS</th>
<th>DAILY PRICE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% VARIATION FROM AVERAGE DAILY ARRIVALS</td>
<td>% VARIATION FROM AVERAGE DAILY ARRIVALS</td>
</tr>
<tr>
<td></td>
<td>CHANDWA MARKET</td>
<td>KAMACHCHA MARKET</td>
</tr>
<tr>
<td>Potato</td>
<td>47 - 219</td>
<td>77 - 192</td>
</tr>
<tr>
<td>Tomato</td>
<td>35 - 300</td>
<td>50 - 167</td>
</tr>
<tr>
<td>Onion</td>
<td>30 - 219</td>
<td>40 - 200</td>
</tr>
<tr>
<td>Cauliflower</td>
<td>25 - 300</td>
<td>25 - 173</td>
</tr>
<tr>
<td>Brinjal</td>
<td>44 - 227</td>
<td>33 - 250</td>
</tr>
<tr>
<td>Ladies Finger</td>
<td>42 - 208</td>
<td>63 - 182</td>
</tr>
<tr>
<td>Pea</td>
<td>60 - 200</td>
<td>50 - 167</td>
</tr>
<tr>
<td>Cucumber</td>
<td>83 - 167</td>
<td>50 - 143</td>
</tr>
<tr>
<td>Sponge Gourd</td>
<td>50 - 218</td>
<td>33 - 250</td>
</tr>
<tr>
<td>Bittergourd</td>
<td>50 - 312</td>
<td>33 - 167</td>
</tr>
</tbody>
</table>

**Source:** C. Sen and R.P. Maurya, Marketing of vegetables in Sewapuri block published in Indian Journal of Agricultural Marketing
MARKETING CHARGES:

The average marketing charges for major vegetables brought from the selected villages and transected in Varanasi market are presented in table. The table reveals that for the total marketing charges (including cost of transport) payable, 65.92 percent and 66.98 percent are payable by the sellers (producers), 12.22 percent and 11.84 percent by wholesalers and 21.86 percent and 21.18 percent by retailers in Chandwa and Kamachcha markets respectively. A little more than 28 percent 31 percent of the marketing charges are accounted for by the cost of transport in the two markets respectively.

PRICE SPREAD:

The price spread between the price received by producers in the selected villages and that paid consumers in Varanasi city included all the marketing charges (including commission and transport charges) paid by the wholesalers and retailers. The details of price spread for the ten vegetables understudy sold in the Kamachcha and Chandwa markets in Varanasi city are given Table No 2.1.5.

It can be observed from the table that the producer’s share in the consumer’s rupee for the vegetables was lowest for tomato and higher for brinjal in both the markets. On the whole, the share of the producer was highest for vegetables with less perishability or with facilities of cold storage while it was lower for vegetables with greater perishability. The margins of wholesalers and retailers for such vegetable (like tomato, green pea) were obviously higher. On the whole, the price spread accounted for more than 33 percent of the price paid by the consumers for the vegetables under study.
With increased facilities or irrigation, institutional fiancé processing and cold storage, the area under vegetables in Sewapuri block, particularly in the villages in the vicinity of Varanasi city is bound to increase. Extension agencies are helping to motivate the farmers to increase the area and productivity in vegetables. The applied nutrition programme is also inducing consumers to increase the consumption of vegetables and fruits and encouraging urban housewives to undertaken kitchen gardening. In order to further popularize vegetable cultivation and increase their share in the balanced diet, it is necessary to increase the producer's share in the consumers' rupee to provide an incentive for the producers, while at the same time lowering the cost of cultivation and consequently the price of vegetables as to induce their increased consumption by the consumers.

It is, therefore, necessary co-operativisation of marketing of vegetables (and by linking consumer cooperatives with the marketing co-operatives) increased facilities of processing, cold storage and grading of vegetables, regulation of vegetable markets, and rationalization of various marketing charges. The NCDC has already initiated steps on right direction by financing co-operative marketing, processing, cold storage etc., Those efforts need to be coupled with a positive price, credit and marketing policy and their effective implementation. The NAFED is also playing an important role in this direction inspite of the many constraints on it. Necessary changes in the pricing and import / export policy for vegetables need to be made to induce NAFED to play more effective role.
### TABLE NO 2.1.5

**AVERAGE MARKETING CHARGES AND PAYABLE ON PRODUCE WORTH RS. 1000 (CHANDWA AND KAMACHCHA MARKETS)**

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Amount Rs. By Sellers (Producers)</th>
<th>As Percent of Total Market Charges</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Chandwa</td>
<td>Kamachcha</td>
</tr>
<tr>
<td><strong>A. CHARGES PAYABLE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Cost of transport</td>
<td>4.50</td>
<td>5.00</td>
</tr>
<tr>
<td>2. Octroi</td>
<td>1.20</td>
<td>1.20</td>
</tr>
<tr>
<td>3. Weighing charges</td>
<td>0.30</td>
<td>0.30</td>
</tr>
<tr>
<td>4. Commission</td>
<td>3.50</td>
<td>3.50</td>
</tr>
<tr>
<td>5. Marketing Fees</td>
<td>0.75</td>
<td>0.75</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>10.25</td>
<td>10.75</td>
</tr>
</tbody>
</table>

| **B. CHARGES PAYABLE** |          |            |          |            |
| (By Wholesaler)        |          |            |          |            |
| 1. Market Fees         | 1.50    | 1.50       | 9.65     | 9.35       |
| 2. Other Market Charges| 0.40    | 0.40       | 2.57     | 2.49       |
| **TOTAL**              | 1.90    | 1.90       | 12.22    | 11.84      |

| **C. CHARGES PAYABLE** |          |            |          |            |
| (By Retailers)         |          |            |          |            |
| 1. Market Fees         | 3.00    | 3.00       | 19.29    | 18.69      |
| 2. Other Market Charges| 0.40    | 0.40       | 2.57     | 2.49       |
| **TOTAL**              | 3.40    | 3.40       | 21.86    | 21.18      |
| **GRAND TOTAL**        | 15.55   | 16.05      | 100.00   | 100.00     |

**Source:** C. Sen and R.P. Maurya, Marketing of vegetables in Sewapuri block published in Indian Journal of Agricultural Marketing
### TABLE NO 2.1.6

**PRICE SPREAD OF VEGETABLES**

(Chandwa and Kamachcha Markets)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
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<tbody>
<tr>
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<td>2</td>
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<td>9</td>
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<td>Onion</td>
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<td>100</td>
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<td>2</td>
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<td>3</td>
<td>10</td>
<td>100</td>
</tr>
</tbody>
</table>

Note: Figures in the upper row are for Chandwa in lower row for Kamachcha markets.

**Source:** C. Sen and R.P. Maurya, Marketing of vegetables in Sewapuri block published in Indian Journal of Agricultural Marketing.
UZHAVAR SANDAI CONCEPT IN TAMILNADU

To solve the problems of both the farmers and consumers the then Honourable Former Chief Minister of TamilNadu, Thiru M. Karunanathi has announced to open 100 Uzhavar Sandai in the Municipalities and town panchayats.

The Uzhavar Sandai scheme covers the following objective.

1. All perishable vegetables and fruits will be sold directly to the consumers at the price fixed by the price fixation committee.

2. The price fixation committee will fix the price of the produce every day without the intervention of the intermediaries.

3. To provide the seeds and inputs at subsidized price to the farmers through agriculture and Horticulture Departments.

4. To provide the latest technical know-how about the cultivation of crops in Uzhavar Sandai.

5. To reduce the wastage of vegetables and fruits through improved storage methods and imparting training to the farmers.
FACILITIES PROVIDED TO THE FARMERS:

1. Free transport facilities for the luggage through state transport buses up to the Uzhavar Sandai.

2. The stalls will allotted to the farmers, first come first served basis at free of cost.

3. Farmers committee was organized to give suitable suggestions for the better performance of Uzhavar Sandai.

4. Every day the price fixation committee involving the farmer, will fix the price of each commodity.

5. Free weight and measures.

6. Carry over stock can be stored in the Uzhavar Sandai itself.

7. Prices of the commodities will be exhibited in big sign board.

BENEFITS OBTAINED BY THE CONSUMERS:

1. No bargaining of prices.

2. No fear of getting cheated on the weighment.

3. Fresh and Quality Vegetables.

4. Affordable prices of Vegetables.
**TABLE NO. 2.2.1**
**DISTRICT WISE UZHAVAR SANDAI**

<table>
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<tr>
<th>S.NO</th>
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<th>NUMBERS</th>
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</table>

**TOTAL** 102

*Source: www.uzhavarsandai.com*

First Uzhavar Sandai was commenced on 14.11.1999 at Madurai and the last Uzhavar Sandai was opened on 24.12.2000 at Kulithalai.