CHAPTER IX
SUMMARY AND CONCLUSIONS

9.1 Introduction

Agriculture plays a vital role in the process of economic development of developing countries including India. Indian economy, like most of the developing countries, is basically agricultural in nature and the very economic structure of India rests upon agriculture. It plays a vital role in the economy of the country through its contribution to Gross National Product (GDP), employment, foreign exchange earnings and so on. Agriculture is crucial for our national economy. The share of agriculture in our total GDP comes to about one-fifth. It was around 57 per cent in the beginning of 1950, with gradual industrialization; the share of agriculture has declined and reached a level of 17.2 per cent in 2008-09. Agriculture has been a major source of economic activity providing livelihood to large segments of the population of the country. About 58.4 percent of the working population (this was more than 70 per cent during 1950) is engaged in agriculture. Agriculture also plays an important role in our international trade. The share of agricultural exports was 18.5 per cent in 1990-91 which rose to 20.3 per cent in 1996-97 and the share has gradually declined showing 9.3 per cent in 2008-09. The main agriculture commodities, which are exported, are tea, oil seeds, fruits and vegetables, spices, tobacco, cotton, coffee, cocoa, sugar and sugar products, etc.

9.2 Agricultural Marketing in Economic Development

Marketing of agricultural produce is as important as production as it links the producer and consumer. Indeed, more important than production, as benefits of higher production cannot be reaped if efficient marketing of it is not ensured. Therefore, agricultural marketing plays an important role in accelerating the pace of economic development in addition to stimulating production and consumption. Its dynamic functions are of primary importance in both agriculture and economic development. As such marketing has been described as the most important multiplier of agricultural development. Marketing is as critical to better performance in agriculture as farming. Market reforms ought to be an integral part of any policy for agricultural development. The National commission on Agriculture, 1976, emphasized that produce must be satisfactorily marketed.
The significance of agricultural marketing in economic development is evident from the following facts. Maintaining the pace of increased production through technological developments, assurance of remunerative prices to the farmers for their products to sustain the growth of the non-agricultural sectors, resources have to be extracted from agricultural sectors. For growth of agro-based industries, an improved and efficient system of agricultural marketing helps in the growth of agro-based industries, simulates their production and brings overall development of the economy. Adoption and spread of new technology among the farmer-producers is possible by existence of better marketing system and farmers get more returns by selling the produce if marketing system is efficient. The additional returns got by the farmers will be invested in agricultural sector and this as such will help spread the new technology among the farmers.

9.3 State of Agricultural Marketing in India

India is an agricultural country and the economic position of the farmer depends on the money that he can earn by selling his surplus produce. However, trading in agricultural commodities is an example of pure competition. So an individual farmer has to act as a price taker. He has hardly any control over the existing price of a particular crop. This price is basically determined by the impersonal forces of demand and supply. However, the revenues of the farmer can be raised through proper handling and better distribution of his produce and by reducing the margins acquired by a chain of intermediaries between the producer and the consumer. This necessitates an improvement in the agricultural marketing system.

There are many ways by which, the farmer may dispose of his surplus produce. The first and the most common method is to sell away his surplus produce to the village money lender-cum-trader. The second method adopted by the Indian farmer is to dispose of his produce in the weekly village market, known in Hindustani as ‘hat’. The third method of agricultural marketing is through the mandis in small and large towns. The mandi may be located at distance of several miles and, therefore, the farmer has to make special effort to carry his produce to the mandi.
But the present agricultural marketing system of India seems to be far from perfect and there are many more imperfections which need to be tackled on war footing to relieve the producers. Market imperfections continue to operate in most of the areas where an agricultural breakthrough has not taken place. In the backward areas, the number of regulated markets are limited and further markets continue to be dominated by the trader cum moneylender nexus. In the agriculturally advanced regions, the market infrastructure is fairly developed resulting into efficient marketing. In the agriculturally underdeveloped parts of India, it is highly inadequate and consequently, the marketing system continues to be non-competitive and dominated by monopolistic interests.

In the beginning, marketing of agricultural produce had never been a problem in the country in view of the fact that our country had subsistence economy in relation to food grains. In the wake of green revolution and developments that have taken place in recent past in field of agricultural technology, production and productivity, all major agricultural crops have grown substantially and marketing of agricultural commodities is a major problem in every where surpluses have been generated. Of all the marketing problems, the problem of forced sales at the village level to or through the local traders, commission agents etc., a problem highlighted right from the time of Royal Commission on Agriculture, 1928-- continues to be a major one. Even now, there are plenty of distress sales among farmers as also temporal and spatial price variations in the markets. Producers share in consumers’ rupee has not been satisfactory. The market performance parameters like absolute share of the producer in terms of remunerability, fluctuations in prices across seasons, and spatial price differences and lack of proper market outlets itself, are the issues which have become increasingly crucial in the present context.

9.4 Government Intervention in Agricultural Marketing

Though, agricultural marketing is a state subject, the Government of India has been playing a far-reaching interventionist role in terms of laying down general policy framework, framing of quality standards and providing technical and financial support to the states for creating infrastructure and administrative setups. Current agricultural marketing system in the country is the outcome of several years of Government interventions. The system has undergone several changes during the last 50 years owing to increase in marketed surplus; increase in urbanization and income levels and
consequent changes in the pattern of demand for marketing services; increase in linkages with distant and overseas markets; and changes in the form and degree of government intervention.

Agriculture being a State subject, the main Act for market regulations, the Agriculture Produce Market Regulation Act (APMC), is to be enacted/ amended/ implemented by the State Governments. The existing marketing system is serviced by a network of more than 7,500 regulated markets and about 28,000 Rural Primary Markets, 15 per cent of which were also regulated. Initially, the objectives of market regulation were to ensure correct trade practices such as weighment, prompt payment to the farmers for their produce and to avoid their exploitation by middlemen in terms of unauthorized deductions and charges. Ironically, the market originally meant for protecting the farmers’ interests, ended up inhibiting the free-play of market forces, compromising the welfare of the farmers.

Present policy thrusts on encouraging farmers for collective and direct marketing, promoting organized trade; creating enabling environment for greater participation by the private sector in marketing system including infrastructure development. The increasing focus on liberalization, privatization and globalization is both a challenge and an opportunity for our farmers. For them to avail this opportunity optimally, it is imperative that relevant internal reforms in the agriculture marketing system are accorded top-most priority. As a major initiative, the Government of India drafted a Model Agricultural Produce Marketing (Regulation & Development) Act, 2003. While all the States/UT’s had agreed to amend their respective APMR Act to bring about the requisite reforms in the line with the Model Act, the APMR Acts of 17 States/UTs have been amended only in a limited manner. Besides, the APMR Act originally has not been adopted / repealed in 7 States/UTs. The States have amended their Acts in respect of Contract Farming, Direct Marketing, and Setting up of private markets. The spirit in which the Model Act was conceived is not being fully embodied in the rules being drafted by different states.

9.5 Introduction of Direct Marketing

One of the main reasons for limited success of market regulations is that it is only confined to marketing and does not help or reduce monopolistic hold on credit, transport and trade, processing and storage. In this context, the Royal Commission on Agriculture,
1928, highlighted that producer must know the art of selling either as an individual or combination of other producers and he should be the mind of buyers. Otherwise, both producer and consumer will lose major share of the produce to the middlemen. Both of them do not obtain a fair share of the value of producer. Concerted efforts, however, have not been made to promote the direct sales by the farmers to consumers or retailers without involving any intermediary in between.

The Direct marketing presupposes the sale of agricultural produce by farmers directly to consumers without any mediation. It enables farmers to meet the specific demands of wholesalers or traders from the farmers inventory of graded and certified produce on one hand and of consumers based on consumers preference on the other hand helps the farmers to dynamically take advantage of favourable prices reduce marketing cost and thus their net margins. This encourages farmers to undertake cleaning, sorting, grading and quality marking at the farm gate. This will obviate the need to haul the produce to the regulated markets which are not necessarily equipped with all required services and facilities affecting the marketing efficiency adversely. It is reported that the consumers’ prices declined by the 20 to 30 per cent and producers received the prices rose by 10 to 20 per cent in South Korea as a consequence of expansion of direct marketing of Agricultural Products. In our country, this model has been experimented in Punjab and Haryana (Apni Mandis), Andhra Pradesh (Rythu Bazar), Tamil Nadu (Uzhavar Santhai) and Orissa (Krushak Bazar) and so on. All the provisions exist in various States’ Market Regulation Act for direct marketing.

9.6 Rythu Bazaars in Andhra Pradesh

The present exercise is an attempt to study the functioning of Rythu Bazaars established in the State of Andhra Pradesh. It is common knowledge that there is a huge gap between the price a consumer pays and the producer receives. This is particularly true in the case of the commodities where the supply chain is too long or the middlemen have dominating position. It is found that the difference between one end and the other is some times in the order of hundreds of rupees if not thousands. Commodities like vegetables, where producers are illiterate farmers and the middlemen are market smart traders and the shelf life of the product is not very long, are prone to have huge differences, leaving both producers and end users at a loss. In order to help both farmers
and consumers and to ensure the producers get good remunerative price for their produce and the end-users get quality products at reasonable prices, the government of Andhra Pradesh had evolved a direct marketing initiative called Rythu bazaars.

The Government’s attempt to bridge the gap between farmers and consumers by setting up Rythu Bazaars to help both sections bargain for a fair price has caught the attention of people at both ends and it became popular at once. The concept of Rythu bazaars was introduced by the marketing wing of the state Agricultural department in 1999 to effectively link farmers and consumers, thereby eliminating middlemen.

Rythu bazaars were established on January 26th, 1999, for direct interface between farmers and consumers by eliminating middlemen with a view to ensure remunerative prices and prompt realization of sale proceeds to farmers without any deductions and provide fresh vegetables to consumers at reasonable rates. Rythu bazaars have been established all over the State covering all major towns and cities.

Even as Andhra Pradesh is one of the pioneering States in introducing Rythu bazaar scheme, similar ideas are being implemented by several other states, following the recommendations of the government of India’s Expert committee in 2001. The committee suggested promotion of direct marketing as one of the alternative marketing structures that sustains incentives for quality and enhanced productivity, reduction in distribution losses, improving farmers incomes with improved technology support and methods. The market will operate outside the preview of the Agricultural Produce Marketing Act and will be owned by professional agencies in private sector, wholesalers, trade associations and other inventors. The government’s role is that of a facilitator rather than that of having control over the manager of the markets.

9.7 Significance and the Need for the Present Study

Agriculture still remains the central activity of majority of Indian people. The emphasis on agricultural development in the planning process thus is prominent even in present era of liberalization. However, changed agricultural scenario demands that Indian farmers harness the full production and distributional advantages and potential through specialized farming and efficient marketing. As a matter of fact, marketing of agricultural commodities is the single decisive factor for rapid growth in agricultural production. Absence of appropriate marketing facilities or inefficient marketing system not only
hinders the flow of goods and services but also provides disincentives to producers. Consequently, agricultural growth declines resulting fall in production and rise in prices. The higher prices will hit the consumer’s satisfaction. In short run, it may also happen that because of seasonal character and non-movement of the perishable commodities price in local market will fall sharply. It will discourage the agricultural production. The aggregate effect of this would decline the agricultural growth rate causing the inflation rate to go up. The consequence would not restrict only to this, but it may worsen the balance of trade because of excessive import. All these interalia effects will decrease the overall rate of economic growth of the country. This situation necessitates the Government to intervene and create different local structures for marketing of agricultural produce for benefiting both farmers and consumers. The recently established ‘Rythu Bazaars” in Andhra Pradesh are one of such types. The perusal of the structure, conduct and performance of the marketing system of Rythu Bazaars in marketing of various agricultural commodities and their impact on producers and consumers is very much needed for achieving intended goals and objectives. The present study is taken up towards this end.

9.8 Objectives of the Study

The principal objective of the study is to evaluate the progress and performance of Rythu Bazaars in the north coastal districts of Andhra Pradesh. More specifically the objectives of the study are:

7. To present an overview of vegetable marketing in India and discuss various practices adapted in different states.

8. To study the progress and performance of Rythu bazaars in Andhra Pradesh in general and identify various problems faced by them.

9. To examine the profiles of different Rythu bazaars selected for the study and analyze the marketing practices followed by them with regard to buying and selling operations.

10. To study the socio-economic structure of farmers marketing vegetables at Rythu bazaars and discuss their perceptions and problems.

11. To identify the consumer behaviour patterns and their impact on the vegetable marketing process and also identify their problems.

12. To suggest suitable measures towards further improvement in marketing procedures in Rythu bazaars.
9.9 Research Methodology

9.9.1 Choice of Subject under Study

Being a person from traditional agricultural family with much village background, the researcher has selected this “Rythu Bazaar” as a subject of study with utmost interest in this study which is dearer to him. He has been associated with Rythu bazaar activity since its inception and visited several Rythu bazaars in the state to get acquaintance with the subject. In fact, he acted as a resource person in the training of Estate Officers in the year 2000 in the Visakhapatnam Model Rythu Bazaar on the request of Authorities. With this back ground in view, the researcher has chosen this research topic on Rythu Bazaars and designed the research in such a way to ascertain their progress and performance and elicit the views of the farmers and consumers on them and to identify their problems.

The data for the study is collected both from primary as well as secondary sources. The secondary data is collected from the district and state government reports on Rythu bazaars, marketing bulletins, Rythu bazaar manual, office records of the Estate Officers in various Rythu bazaars, annual reports of various organizations and agencies, reports of various committees and commissions, Journals and various other magazines related to Agriculture marketing. Besides, secondary data is also obtained from English and Telugu daily news papers, magazines, statements of concerned Ministers and reports of CEO of Rythu bazaars from time to time. In addition to these, secondary data is also collected from published and unpublished records, reports, research studies and papers of various institutions and individual researchers and from the website of Rythu bazaars, special journals like Annadata, Economic and Political Weekly, Indian Journal of Agricultural Marketing, Indian Journal of agricultural Economics, Agricultural Situation in India, Agricultural Marketing and some conference special issues. The researcher also visited Dr. V.S. Krishna Memorial Library, Andhra University, Libraries of Department of Commerce and Management Studies and Department of Economics, Andhra University and libraries of GITAM University, School of Distance Education, Andhra University and so on for review of literature and other references.

9.9.2 Selection of Sample for Collection of Primary Data

As it is evident from the objectives, the study is mostly based on the collection of primary data. For the purpose of the study, North Coastal Andhra region is selected as it
is one of the important regions in Coastal Andhra Pradesh. The North Coastal Andhra region is composed of three districts namely, Visakhapatnam, Vizianagaram and Srikakulam. These three districts are selected in order to gather information on the profiles, progress and performance of Rythu bazaars. These are purposefully chosen in this region mainly because the origin and growth of Rythu bazaars coincided with the beginning of the establishment of Rythu bazaars in the state and there is still lot of demand for the establishment of new Rythu bazaars in these areas. To study the rationality behind the growth and to make comparison of Rythu bazaars in different districts the present study is undertaken by the researcher. For undertaking an in-depth study of farmers and consumers, all the 20 Rythu bazaars in these three districts are covered including the model Visakha Rythu bazaar’ in Visakhapatnam District.

Since the universe of the study comprising three districts is large and the study is intended to be carried out at a micro level, it is neither possible nor feasible to study the entire universe for conducting an empirical study. The researcher, therefore, is confined to a sample study. The three districts of Visakhapatnam, Vizianagaram and Srikakulam of North Coastal Andhra Pradesh consist of 13, 11 and 8 Mandals, respectively. The farmers belong to different villages of all these mandals are coming to Rythu bazaars regularly.

In all Rythu bazaars of the above three districts, approximately 1000 farmers are attending to Rythu bazaars in all seasons per day. Among them, 20 per cent of farmers i.e. 200 are selected for data collection. By applying stratified random sampling technique, two farmers in each village in small villages and five farmers from each of relatively large villages are selected who are coming to Rythu bazaars by covering all the mandals recognized by the Revenue Authority for this purpose. The information is collected by canvassing schedules for all the sample farmers. For this purpose, farmers are categorized as marginal, small and large framers. Every care has been taken to collect the heterogeneous data from different groups of farmers, castes and from all the selected villages. Altogether 200 sample farmer respondents are selected for the survey covering all the Rythu Bazaars in each district. A well designed and structured questionnaire has been prepared and canvassed among the farmers after duly pre-tested and stabilized. A pilot study was conducted to test the suitability of the schedules prior to administrating them to the total sample farmers. Certain defects that came to light during the pilot study
and some of the suggestions offered by the respondents were incorporated into the final schedule at the end of the pilot study. The primary data was collected during the last quarter of the year 2011 comprising of October, November and December months. The data has been analysed based on the responses to the questionnaire.

The schedule of famers contain information on main items such as family details, age, sex, caste, literacy level, asset structure, income and expenditure, nature of house, status of ration cards etc. Specific information on other aspects like income variation before and after going to Rythu bazaars, irrigation facilities, sources of investment and their satisfaction in the Rythu bazaar activities and their other perceptions in this regard are also gathered. The consumers are also probed with various aspects through separate schedule. The related information gathered here are socio-economic background of respondents, their income level, number of times visiting Rythu bazaars in a week, varieties purchased in the Rythu bazaars, opinion on the prices charged in the Rythu bazaars, problems experience and other related details.

Similar exercise was done in case of consumers also for the purpose of this study. On an average, 25000 consumers are visiting Rythu bazaars in all seasons per day. For the purpose of the study, a total of 250 respondents were selected on simple random sampling basis, which comes to one per cent of the total consumers visiting Rythu bazaars on daily basis. Every care has been taken to collect the heterogeneous data from different categories of consumers including, male, female, age groups and different income groups. Here also the simple technique of arithmetic mean was used in all cases where data were presented in tabular form for the purpose of comparison and interpretation.

In addition to the information collected with the help of schedules, direct interaction was held with various related officials in different occasions. The researcher attended to the field visits in the villages to interact and secure more reliable information for some of the questions. With the prior appointment of district joint collectors who are directly concerned to the Rythu bazaar activities in these three districts and also some important officials, opinions and suggestions are collected and their views are incorporated in the final draft of the Thesis.
The information so collected through schedules was tabulated and final tables were drawn for the analysis. The simple technique of arithmetic mean was used in all cases where data were presented in Tabular form for the purpose of comparison. Data was tabulated and entered into excel spreadsheet package. Both SAS and SPSS computer packages were used to analyse the data. Statistical techniques such as Frequency distribution, Chi-square test, Anova tables and percentages were used. A level of significance of 0.1 was used to determine whether the relationships among vegetables were significant.

9.10 Scope of the Study

The scope of the present study is limited to three districts, viz. Visakhapatnam, Vizianagaram, Srikakulam in the North Coastal Andhra Pradesh. This study considers the opinions of farmers, customers and Estate Officers of the Rythu Bazaars besides other data collected from the same. The market condition observed in all the places seems to be the same, i.e. the nature of the customers, farmers and prices for the products. Therefore, the study becomes universal in all over the state and the conclusions drawn from the study may be applicable as a whole where similar conditions prevail.

9.11 Limitations of the Study

Although, the present dissertation work has been completed successfully, a few limitations can be observed in the study.

5. Due to time restriction the data is confined to limited areas of Rythu Bazaars in three districts, viz. Visakhapatnam, Vizianagaram, Srikakulam in the North Coastal Andhra Pradesh.

6. Responses are collected through the Random basis.

7. Since the sample size is small, there may be possibility for giving biased answers. This may restrict the researcher to generalize the findings to the entire population.

8. Because of fast changing market environment, the analysis may not hold good for a long time.

9.12 Presentation of the Study

The present study is composed of nine Chapters. The first chapter introduces the subject on agricultural marketing including the significance of agricultural marketing and
its role in the economic development of the country and shows the imperfections in agricultural marketing and government interventions in this regard. It also discusses the significance and need for the study, objectives and methodology of the study and chapterization. The second Chapter presents the review of literature relating to the study. The third Chapter focusses attention on the practices of vegetable marketing in India and Andhra Pradesh and the constraints encountered therein. The profile of Rythu Bazaars and their progress and performance in the state of Andhra Pradesh in general is provided in the fourth Chapter. It includes the brief history of Rythu Bazaars and their objectives and vision. The fifth chapter contains information on the profiles of sample Rythu bazaars selected for the study. The information relating to the socio-economic characteristics of sample farmers is presented in Chapter six. The results of empirical analysis pertaining to the perceptions and problems of farmers based on the survey are the subject matter of chapter seven. The behavioural patterns of consumers and the constraints encountered by the consumers at Rythu bazaars are furnished in the eighth chapter. The summary of the findings of the study along with conclusions and suggestions relating to the study are given in the last Chapter. The Bibliography is tagged on at the end of the study.

9.13 Issues for the Study

The review of literature presented in this study brought out some important issues relevant for this study. Undoubtedly, the scheme of ‘Rythu Bazaars’ is a novel one and it has beneficial effects. Both the producers and consumers are benefited in different ways. The producer’s share in the consumer rupee is greater. On the other hand, consumers expressed satisfaction on the availability of fresh and quality vegetables, fruits and other food items at reasonable prices. However, there are certain issues that need attention of the planners and policy makers and administrators.

18. A large majority of the Rythu Bazaars are not strategically located and their functioning and sustainability depends on this.

19. A large majority of the existing stalls in Rythu Bazaars are not fully occupied by farmers leading to low capacity utilization of stalls. There is not much business turnover in Rythu Bazaars as compared to that of uncontrolled nearby markets. This is basically due to not having the Rythu Bazaars at strategic locations.
20. The Rythu bazaars lack the required infrastructure facilities like lack of storage structures, transport, drinking water, lavatory and bath room facilities, insufficient parking and so on.

21. Occupation of walking space by the vendors causing inconvenience, bargaining and sorting of vegetables by consumers, presence of middlemen, large scale purchase of vegetables by wholesalers, hotels and others of fresh and quality vegetables in the early hours and so on.

22. Majority of the respondents felt very bad about the parking facility and other amenities at the Rythu Bazaar.

23. The vegetable growers are facing certain problems like the problem of suitable transport to reach the market early in the morning and as a result the farmers are forced to sell the unsold stocks below the wholesale price in the market.

24. Non-availability of cold storage facility is another impediment coming in the way of postponement of sale even for a day or two for better price.

25. Another constraint being faced by vegetable growers is space for keeping the bullock carts and tractor trolleys etc.

26. The farmers are not happy with the price fixation done everyday and the quality of vegetables sold therein and they have a little say in the matter of price fixation.

27. Most of the vegetable growers are reluctant to sell directly to the consumers in small quantities instead they want to sell to the wholesalers at a lesser price. The behavior of sellers at Rythu Bazaar has been impolite.

28. Consumers reported that some of the vegetables are not qualitative due to uniform prices of all grades and quality and farmers are selling best quality outside of the Rythu bazaar.

29. The consumers felt that availability of the vegetables at the Rythu Bazaars is not uniform through out the year. Moreover, certain varieties of vegetables (locally not produced) are not available in the Rythu Bazaar and as a result, they have to visit the nearby market too. Certain types of vegetables are sold more than the price indicated on the signboard.

30. There is a mismatch between demand and supply due to lack of information and knowledge on production, price and market dynamics within and outside markets.

31. The other problems faced encountered are overcrowding, water logging, pollution, improper packaging and sometimes the behaviour of the producer. Congestion at Rythu Bazaar is another important problem expressed by both the farmers and consumers.
32. Due to lack of coordination among various departments, the system is not yielding good results. There is not much coordination among the core committee and the liaison staff and their patronage to Rythu bazaars is essential.

33. At present, the sources of income to Rythu Bazaar are very minimal; its maintenance expenditure is being met from financial sources of Agricultural Market Committee.

34. Above all, the number of quantitative and qualitative in depth studies are very much lacking.

The analysis of farmers and consumers and their opinion is a pre-requisite for the decision makers as it enables them to have an understanding of the present and future demand of their product and there by resolve appropriate marketing strategies. The study of farmer and consumers’ behaviour is of vital importance to assess the position of the Rythu Bazaars and their performance. Further, the success or failure of the Rythu Bazaars is mainly depends on how well the farmers receive the consumers and how the consumer reach with the farmers, because the progress of Rythu Bazaars can be achieved only through maintaining the better relations with the consumers through understanding each other. Therefore, it becomes pivotal to study their experiences and opinions of the both the parties and the major problems encountered by them. It is in this context that an attempt is made to study the progress and performance of Rythu Bazaars, in the north coastal districts of Andhra Pradesh.

9.14 Main Findings

An attempt is made to present the marketing practices of vegetables in India. Vegetables are one of the most important components of Indian agriculture, particularly, horticulture. India is the second largest producer of vegetables in the world next only to China. Vegetable production plays a major role in domestic food production. The area under production of vegetables in the country has increased from 5.59 million ha in 1991-92 to 7.98 million ha by 2009-10. Similarly, the production of vegetables has increased from 58.53 million tonnes to 133.74 million tonnes in the corresponding period. The major vegetables grown in India are potato, onion, tomato, cauliflower, cabbage, bhindi, and brinjal. India is an important cabbage and cauliflower producing country. Cabbage and cauliflower jointly contribute about 11 per cent of India’s total vegetable production.
Individually, cabbage accounts for about 5 per cent while cauliflower accounts for 6 per cent of total vegetable production of the country.

The agricultural production system in the state of Andhra Pradesh is multi-cropped with diversified systems of both agricultural and horticultural crops separately and together. In Andhra Pradesh, a significant gap was observed between actual production and potential production of different vegetable crops in 2006-07 and in subsequent years. It shows that there is vast scope to improve production of these crops at different levels. The recent rise in vegetable production has increased the marketable surplus which is quite high as compared to other agricultural commodities like cereals and pulses.

Vegetables are more prone to marketing problems compared to other agricultural commodities because of their basic characteristics of perishability, bulkiness and existence of large number of middlemen. The production system of vegetables has been observed to be quite a weak link in the programme for increasing vegetable availability and improving farmers’ share in the consumer’s rupee. The arrivals and prices of vegetables are also unpredictable. Since vegetable crops require a chain of marketing functions before reaching the ultimate consumers, the role of various marketing agencies assumes great importance. The prices of vegetables are generally much higher in the consuming markets as compared to the producing markets. As such, the interests of both producers and consumers are poorly served with the existing system of vegetable marketing. The efficient marketing of vegetable crops is likely to help the agricultural development of the region/state through multiplier effect. Therefore, a sound system of marketing is required to mobilize the surplus of vegetable crops, which aims at reducing the post-harvest losses significantly.

Increase in production of vegetables has increased the marketable surplus which is quite high as compared to the other agricultural commodities like cereals and pulses. Moreover, the perishability and seasonality of vegetables crops is very high compared to other agricultural commodities. Besides the high degree of perishability, the variety and quality, and various market imperfections, market infrastructure etc. also influence the marketing costs and price levels. The supply of vegetables by farmers to modern retail outlets bring in new form of organizing production based on consumers oriented market
driven production. Since vegetable crops require a chain of marketing functions before reaching the ultimate consumers, the role of various marketing agencies assumes great importance.

There are a number of channels in marketing especially of vegetables. The marketing channels for vegetables vary from commodity to commodity and from producer to producer. Large producers directly sell to processors or transport to distant markets. The common marketing channels for vegetables are

1. Farmer - consumer
2. Farmer - primary wholesaler - retailer/hawkers - consumers
3. Farmer – processor - retailer of processed products - consumers
4. Farmer - primary wholesaler - processor
5. Farmer - primary wholesaler - secondary wholesaler - retailer/hawker - consumer
6. Farmer - pre-harvest contractor - primary wholesaler - consumer

The producer of vegetables cannot go to the wholesale market or distant markets and hence have to depend on some intermediaries to sell them. Of late, the field of agricultural marketing is facing the daunting task of making the farmers sell their entire marketable surplus through the institutions which were formed for the purpose. For promoting agribusiness in the country, several initiatives have been undertaken which have created favourable environment for its growth. Some marketing related restrictions have been withdrawn or replaced. Thus, current agricultural marketing system in the country is the outcome of several years of Government interventions. Agriculture being a State subject, the main Act for market regulations, the Agriculture Produce Market Regulation Act (APMC), is to be enacted/amended/implemented by the State Governments. To improve the marketing system of farm products, wholesale agricultural produce markets began to be regulated in the 1950s and 1960s. This legislation has already covered 7566 markets (2008) i.e. almost 99 per cent of the identified wholesale markets in the country. As a major initiative, the Government of India drafted a Model Agricultural Produce Marketing (Regulation & Development) Act, 2003. The States have amended their Acts in respect of Contract Farming, Direct Marketing, and Setting up of
private markets. The legislation provides for direct marketing and procurement from farmers; private sector participation in infrastructure provisions; creating of Special Commodity Markets; single point levy of market fee; and contract farming.

Direct marketing by farmers is being encouraged as an innovative channel intended to help largely the vegetable growers. Direct marketing of agricultural produce helps in complete elimination of middlemen and commission agents who charge a high level of commission fee from the agriculturists/farmers. Thus, rise in farmer income and reduction in food prices paid by the consumer can be made possible through direct marketing. Various direct marketing models have emerged that dilute the power of intermediaries to an extent in our country. This model has been experimented in Punjab and Haryana (Apni Mandis), Andhra Pradesh (Rythu Bazaar), Tamil Nadu (Uzhavar Santhaigai) and Orissa (Krushak Bazaar) and so on. All provisions exist for direct marketing in the market regulation acts of various states.

Apni Mandis (Our Market) are established in the states of Punjab and Haryana in the mid-1990s and they were the first ones directly linking vegetable producers and consumers. They provide all necessary facilities like space, water, shed, counters and weighing balances. Similarly, the Rythu bazaars were initiated by the Government of Andhra Pradesh on January 26, 1999. The number of Rythu Bazaars has increased from 49 to 102 and cover nearly 40,000 farmers of 2,800 villages with in a span of nine months in all the district head-quarters and important towns and cities in Andhra Pradesh. Here, farmer producers bring the produce for sale directly to the buyers or consumers. If the prices in Rythu Bazaars are higher than the local market rate, there is no incentive to consumers. And if the prices fixed are lower than the wholesale market rates, there are no incentives to farmers. The maintenance expenditure of Rythu bazaars is being met from the financial sources of Agricultural Produce Market Committees.

The Government of Tamilnadu also introduced “Uzhavar Santhai” in 1999 with a view to eliminate the middlemen between farmers and consumers in the marketing of vegetables. These Farmers’ Markets are under the administrative control of the State’s sixteen Agricultural Marketing Committees, which in turn are part of the Department of Agricultural Marketing. The prices of vegetables are fixed each day by a committee
including Marketing Committee officials and farmers’ representatives. Committee members collect prices in the central and retail markets before 3.00 in the morning, and by 6.30 the maximum selling prices in the Farmers’ Market are fixed at 15 to 20 percent over the night sale price at the central market, and 20 percent below the price in the retail markets – whichever is higher. Farmers also get good quality seeds and other inputs in the market itself.

Government of Orissa established 40 Krushak Bazaars in the state in 2000-01 basing on the model of Rythu Bazaars in Andhra Pradesh. The farmers are identified and provided with photo identity cards to operate in the market. The identified farmers are supplied with required inputs for vegetable production. The price in the Krushak Bazaar is determined taking wholesale price and retail market price of different products in the respective markets. The comparison of prices in wholesale, Krushak Bazaar and retail market indicate that the prices were 4 to 41 per cent higher in Krushak Bazaar than the wholesale market price. However in case of retail market, the prices were lower by 10 to 32 per cent in the Krushak Bazaar. The participating farmers found price fixation as faulty without accounting for quality differences, inappropriate locations of market and lack of proper infrastructure. Besides, these markets are being dominated by non-farmers.

Hadaspar vegetable market is a model market for direct marketing of vegetables in Pune city. This is one of the ideal markets in the country for marketing of vegetables. In this market, there are no commission agents/middlemen. The market has modern weighing machines for weighing the products. The Market Committee collects one per cent sale proceeds as market fee for the services and facilities provided by the Committee to the farmer-sellers and buyers. Though identity cards have been introduced and there are periodical checks, the problem still persists in many bazaars.

This leads us to infer that modern town planning and traffic regulation should take into account the relevance of direct farmers’ markets in respect of perishables which may go a long way in reducing the gap between wholesale price and retail price. However, this may address to the issue of marketing needs of only a section of consumers which is more sensitive to price of the produce and is willing to go to such markets operating at
certain distance from their residential areas. The present endeavour is confined to study about the system of Rythu bazaars initiated in the state of Andhra Pradesh.

An attempt is made to present the profile of Rythu bazaars and also their progress and performance. As explained above, the Government of Andhra Pradesh had evolved a direct marketing initiative in the State called Rythu bazaars in order to help both farmers and consumers and to ensure the producers get good remunerative price for their produce and the end-users get quality products at reasonable prices. It is attempted here to present a brief review of the causes for the establishment of Rythu Bazars in Andhra Pradesh, their objectives, main features, structure and growth and their progress and performance.

Rythu Bazaar means farmers market. The need for the farmers market arises due to the nature of vegetables and presence of many middlemen in the existing vegetable market which leads to a wide range of fluctuations in price that affects both farmers and consumers. Larger numbers of small farmers are unable to effectively bargain for a better price in the wholesale market. This increases the gap between producer and consumer price. Rythu Bazaars are thus planned for direct interface between the farmers and consumers eliminating middlemen. Rythu Bazaars, it was hoped, if function effectively can act as price stabilization centres.

The prime objective of Rythu Bazaars is to provide direct link between farmers and consumers in the marketing activity of fruits, vegetables and essential food items. Specifically, it intends 1) to ensure fair and remunerative prices to the farmers and provide fresh vegetables to consumers at reasonable rates fixed on a daily basis; 2) to facilitate prompt realization of sale proceeds to farmers without any deductions; 3) to curb malpractices and provide vegetables with correct weighments to consumers and 4) to provide a direct interface between farmers and consumers thus eliminating intermediaries from the system.

The Rythu Bazaars have many salient features and these are discussed hereunder. The establishment of marketing linkages between the buyer and the seller is critical to the successful functioning of a Rythu Bazaar. Hence, Rythu Bazaars are located on government lands that are identified by the District Collectors and a location that is convenient for both farmers and consumers is chosen. The criteria for the opening up of a
new Rythu Bazaar are the availability of at least one acre of land in a strategic location and the identification of 250 vegetable growing farmers, who are willing to participate in the Bazaar.

Infrastructure facilities are established in all Rythu Bazaars through funds provided by the Agricultural Market Committees. Each Rythu Bazaar ensures the provision of adequate number of sheds, drinking water, proper sanitation, parking, facilities for cleaning of agricultural produce, grading and sorting, weighing, packaging, storage, telephone, internet and fax, removal of garbage and regular cleaning, facilities for storage, provision of tamper-proof weighing scales and so on.

Proper identification of a cluster of villages and genuine farmers and their marketing linkage to Rythu Bazars is another key feature for successful functioning of the Rythu Bazaars. No farmer is allowed to enter Rythu bazaar without valid Photo Identity Card. Daily allotment of shops is done on first come first serve basis and on rotation. R.T.C buses from identified villages are extended upto Rythu bazaar in selected timings.

Rythu bazaars also cater to millers who sell paddy and other kharif crops, members of the Self-Help Groups, and also of Development of Women and Children in Rural areas (DWCRA) who deal with commercial vegetables like potatoes and onions and farmers who sell other vegetables.

Price fixation is done by a committee of farmers present on the day by early morning and the Estate Officer. Prices are displayed at the entrance of the bazaar. Prices of vegetables sold by each farmer are also displayed in front of his shop.

Modern communication facilities are also provided to Rythu bazaars. Networking of all Rythu bazaars are enabling the Estate officers in price fixation and other activities. An online market information system has been developed to keep officials at the Rythu bazaars updated about current prices and to help consumers make informed choices.

Horticulture Consultant and Agriculture Officer are required to motivate the farmers to produce new varieties etc. Timely supply of seeds on subsidized rates is ensured to the identified farmers. Training camps are also allowed to be conducted for them. The Rythu bazaars are being upgraded to meet the demand of changing times. As a
result, doorstep delivery of vegetables through mobile Rythu bazaars has been started. This is being tested in the Erragadda Rythu bazaar area in Hyderabad.

Joint District Collectors are responsible for the organization and effective functioning of Rythu Bazaars in their respective districts. Each of the Rythu Bazaar is having an estate officer, Horticulturist, Agriculture Officer and other service staff. Horticulture consultants ensure adequate participation of farmers which is essential for the successful functioning of Rythu Bazaars. The farmers, who are the key stakeholders, sell their produce at Rythu bazaars.

Rythu Bazaar is one of the most successful models of direct agricultural marketing in the country. This can be gauged from the progress and performance of Rythu bazaars. The first Rythu Bazaar in Andhra Pradesh state was established on 26th January 1999 in Mehdipatnam area of Rangareddy district. This Rythu bazaar is centrally located at the bus terminal of Mehdipatnam with semi-permanent structures. In Visakhapatnam district, the Rythu bazaars are introduced initially at five localities of Visakhapatnam city (Seethammadhara, Maddilapalem, MVP Colony, Pedawaltair and Scindia) and during the year 2000 one more Rythu bazaar is set up near Lakshmi Talkies area, thus making the total number of Rythu bazaars six in the city. Presently, there are 101 Rythu bazaars which are functioning in the State and the balance 6 Bazaars are closed for various reasons.

Location of Rythu bazaar is one of the deciding factors to attract number of customers. The establishment of Rythu Bazaars must be in proximity to residential localities. According to Government norms, one acre of land is required to start a Rythu Bazaar with all facilities. The main purpose of Rythu Bazaars is to meet the requirements of consumers. The State Government’s guidelines indicate to have a Rythu Bazaar for every 50,000 population. The Rythu Bazaar of Mehdipatnam in Ranga Reddy District and the Swaraj Maidan Rythu Bazaar in Vijayawada are having more than 1,00,000 households in their surrounding places. In this context, availability of land is very much important to Rythu Bazaars to meet their requirements. Providing of such facilities at the Rythu bazaar largely depends on the extent of land available for the location of the Rythu bazaar. Government must allocate sufficient land to these Rythu Bazaars and see that all needed facilities are provided to both farmers and consumers. In some of the areas
political influence is there in the encroachment of Rythu Bazaar land by the private people and Government must control such activities in the interest of Rythu Bazaars.

Rythu bazaars have been classified into different categories depending on the infrastructural facilities available such as permanent, semi-permanent and temporary in various places. Rythu bazaars having permanent construction with all amenities are classified as permanent. Approximately Rs. 60-65 lakhs are needed to construct a permanent Rythu bazaar and Government had incurred this much of amount on 35 Rythu bazaars and another 36 remained as semi-permanent structures and 30 are established on temporary basis.

Rythu Bazaars, as already discussed, must be established very close to the residential areas of consumers. The success of Rythu bazaars can be recognized by the number and continuous visit of consumers. Cheaper prices, availability of different varieties of vegetables and consumer goods attract the consumers to Rythu bazaars. Only 20.80 per cent of the Rythu bazaars are having more than 2000 customers having daily visit and in some of these bazaars the number of customers are more than 10000 also. To attract more customers to the remaining bazaars, the functioning of Rythu bazaars must be strengthened by the Government in all respects. Moreover, the performance of Rythu bazaars can be measured by the evaluation and response of customers and public. To secure this information, complaint box arrangement must be made in all Rythu bazaars.

Sales Revenue determines the performance of Rythu Bazaars. Reputed Rythu Bazaars collects large volumes of sales revenue and the bazaars which are not functioning properly collects relatively less or nominal revenue through their transactions. Due to competition of local markets, wrong location of Rythu bazaars, inefficiency of Estate Officers results in securing less revenue in several of the Rythu Bazaars.

The analysis further reveals that Identity Cards are issued to the farmers by the authorities in 80 per cent of Rythu bazaars. In the remaining Rythu bazaars also Cards must be issued after careful enquiry to protect the interests of genuine farmers. Prices of vegetables and essential commodities can be fixed up in Rythu bazaars after the verification of both retail and wholesale prices in the market. In almost all Rythu bazaars,
except in 3 of them, fixed prices are displayed on the notice board to be followed by the farmers and customers.

Formation of Rythu Bazaars is meant for both sale and distribution of vegetables and essential commodities by farmers and Self Help Groups to customers. It is a right direction to safeguard the interest of all customers and farmers in Rythu bazaars. Horticulture Officers play a key role in the functioning of Rythu Bazaars. Committees are constituted in Rythu Bazaars for their effective functioning. Price fixation committee, discipline committee, clean and green committee, Accounts Committee etc. are constituted in many Rythu Bazaars. Appointment of Committees in all Rythu Bazaars and their participation is a real strength to the administration of Rythu Bazaars.

One of the main objectives of Rythu bazaars is to provide reasonable prices to farmers for their agricultural commodities. CMEY, PMRY, DWACRA, GCC, DAIRY people are selling their products in Rythu bazaars. In majority of the Rythu Bazaars (86.14 per cent), their participation is found and in the remaining Rythu bazaars their identity is not seen even though they are allowed owing to the conditions prevailed in those bazaars.

The main motto of the Rythu bazaars is to sell the farm produce to consumers and to bridge the gap between the real producer and ultimate consumer. With this aim they are also offering commodities other than farm produce in Rythu bazaars to attract more consumers. Over 88 per cent of Rythu bazaars found their presence. Only 11.88 per cent Rythu bazaars are not offering any other commodities other than farm produce in Rythu bazaars. All the Rythu bazaars are located in towns and cities and most of the consumers are visiting the Rythu bazaars on different modes of transport of their own. Moreover, this source of income augments the revenue of Rythu bazaars to meet other contingency expenses.

Rythu bazaar authorities have to interact with various people regarding different aspects. Even the farmers, consumers and other visitors need canteen, toilet and other facilities in all Rythu bazaars. These provisions can bridge the gap between farmers, consumers, Rythu bazaar authority and Government. Event though, government has been spending huge amounts on these Rythu bazaar infrastructure, only 2 Rythu bazaars have
succeeded in creating all the above facilities. Facilities like phone, toilet and canteen are arranged in 77 bazaars.

The study of OneWorld Foundation India has rightly pointed out that both the farmers and consumers are benefitted with the establishment of Rythu bazaars in Andhra Pradesh. Rythu bazaar is transforming the environment in which farmers market their produce. Rythu bazaars have also encouraged farmers to diversify their produce and grow a variety of vegetables and fruits. As regards consumers, the study observed that they can avail the benefits of good quality products at reasonable prices from the Rythu bazaars. It also enables them to know about the kind of products available at Rythu bazaar. It is clear that Rythu Bazaars have facilitated direct marketing. Vegetables and other essential commodities like oils, pulses, etc. are sold through Rythu Bazaars. Over 6,000 farmers are availing the benefits from Rythu Bazaars. Rythu Bazaars have, therefore, increased the returns to producers, while providing vegetables, fruits and essential commodities to the consumers at economical prices.

Rythu Bazaars have an outstanding success in Andhra Pradesh and have brought immense benefits to the farmers participating in them as specified above. It is observed that lakhs of people visit the Rythu Bazaars daily to buy vegetables. However, the various Rythu Bazaar managements are confronted by problems such as inadequate parking facilities, hawkers setting up stalls in front of the Rythu Bazaars and new vegetable markets mushrooming inside colonies providing stiff competition. Further, Rythu bazaars face a major problem in terms of lack of coordination among farmers. In spite of all these problems, all Rythu Bazaars are doing good business.

Further attempts are made to present the profiles of sample Rythu bazaars selected for the study in the north coastal districts of Andhra Pradesh and also examined the working pattern of Rythu bazaars, their progress and performance. At present, there are 20 Rythu Bazaars which are located in all the three districts, i.e. 13 in Visakhapatnam district, 5 in Vizianagaram district and 2 in Srikakulam District. Among all these, Visakhapatnam Rythu Bazaar (M.V.P. Colony) is recognized as a model Rythu bazaar in the entire state and awarded as Best Rythu Bazaar prize by the state government and this can be considered as a ‘role model’ to all the other bazaars in the state. Almost all the Rythu bazaars which are currently working are covered for this purpose. Although, all
the 20 Rythu bazaars are identified for the study, two of them, viz., Paderu (Visakhapatnam district) and Bobbili (Vizianagaram district) are not functioning now. Some of the earlier Rythu bazaars were closed and new Rythu bazaars are added to the present list.

Visakhapatnam City is the main urban area in the Visakhapatnam District and all the Rythu bazaars in the district except Paderu are located in the purview of Greater Visakha Municipal Corporation. Initially six Rythu bazaars were opened on 26th January, 1999 with 150 farmers supplying seven tonnes of vegetables per day. Now, they have increased to 13 bazaars and the number of farmers has increased from 150 to 1050 from 64 cluster villages from 15 mandals (3 agency mandals) of the district there by providing the consumers 32 to 35 varieties of vegetables weighing more than 20 tonnes per day apart from fruits and flowers at their door steps.

The supply of vegetables by the Rythu bazaars has increased from 5 per cent since its inception stage to 22 per cent at present. Out of all Rythu bazaars in Visakhapatnam district, 3 bazaars are having permanent structures, 9 are having semi-permanent structures and only one Rythu bazaar is running under temporary structure. All these Rythu bazaars are established with an estimated cost of Rs. 2.5 crores. All permanent and semi-permanent Rythu bazaars are having computer and telephone facilities. Horticulture department arranged a need based training program on latest technologies in Horticulture for the farmers at Rythu bazaars and field level. Further, marketing department sanctioned additional grant of Rs. 30 lakhs to Visakha Rythu Bazaar, Rs. 15 lakhs each to Seethammadhara and Narasimhanagar Rythu bazaars for the construction of additional stalls and also for renovation.

The Rythu bazaar activity started in Vizianagaram district also on 26-1-1999 on par with other districts in the state and set up three Rythu bazaars. These include MRH Rythu Bazaar, Ring Road Rythu bazaar and R & B Guest house which are started in the beginning. Later, Parvathipuram Rythu bazaar was established on 15-7-2000. Another bazaar was started on 10-11-2007 at Bobbili. Out of the five Rythu bazaars in Vizianagaram district, the Ring Road bazaar is having permanent structure which is located in an area of 0.80 acre, however, a total of 108 stalls are installed in this bazaar. Two Rythu bazaars, viz., R & B Guest House and Parvatipuram are having semi-
permanent structures. The Bobbili Rythu bazaar is not functioning at present and is closed as already indicated.

A close examination of available data further reveals that the Ring Road and R & B Guest House Rythu bazaars are also having the stalls relating to other agencies, but except R & B Guest House Rythu bazaar, vacant stalls are found in larger number in the stalls of other agencies. As regards staff working in Rythu bazaars, it is found that except Parvatipuram Rythu bazaar, estate officers are appointed in all others. One security guard is found in Parvatipuram Rythu bazaar also. Interestingly, sweepers are found in all the four Rythu bazaars. Computers are arranged in Ring Road and Old MRH Rythu bazaars and while they are not installed in other two bazaars. Weighing scales are arranged in all the Rythu bazaars.

The Rythu bazaars in Srikakulam district were introduced on 26-1-1999 in two places, i.e. Srikakulam town and Amudalavalasa. Srikakulam Rythu bazaar is located in a busy junction in the town with all amenities. Farmers are coming from 31 villages of 8 mandals and they are bringing 30 to 35 varieties of vegetables daily. Majority of the farmers are coming on private transport and shared carriers. This bazaar is functioning from morning 6 AM to evening 8 PM. Good parking facility is provided and also the vegetables are seemed to be fresh in the stalls. The basis of allotment of stalls is on rotation method every week. The volume of business in respect of essential commodities is also encouraging to the dealers. Various committees are constituted and they are functioning in the Rythu bazaar under the guidance of Estate Officer.

Amudalavalasa Rythu bazaar is located far away to the residential areas in a spacious locality. The nature of construction is permanent and very few farmers are attending to the Rythu bazaar. Farmers are identified from 21 villages of 3 mandals. They are bringing 15 varieties of vegetables and majority of the stalls are vacant. Self-help groups are not seen in the bazaar. The major hurdle of the Rythu bazaar is the wrong location and most of the consumers are going to the nearby weekly market to get all their requirements.

Further, an attempt is made to discuss about the provision of infrastructure and other facilities in different Rythu bazaars in all the districts selected for the study.
Location is one of the dominating factors which determines the ultimate success or failure of a Rythu bazaar. Out of the total 18 Rythu bazaars considered for the study, 13 bazaars are located in urban areas in important junctions of all the three districts and 5 have established in rural locations. Pendurthy, Pedagantyada, Parvathipuram and Amudalavalasa are mandal headquarters which are still of rural nature. Even the Rythu bazaar at Steel plant area also falls under Pedagantyada mandal. These are located mainly to cater the needs of the consumers residing in and around those Rythu bazaars.

According to the Rythu bazaar manual, for every one lakh population one Rythu bazaar shall be provided irrespective of rural/urban locality and one acre of land is required to set up a Rythu bazaar with all required amenities. Out of the total 18 Rythu bazaars, only 6 are having the structures of permanent nature with an investment varying between over Rs. 50 to Rs. 75 lakhs. Except one bazaar, all others are semi-permanent mode in the total Rythu bazaars. Apart from the sale of vegetables, majority of the Rythu bazaars are having special counters to sell rice and other essential commodities. All these are operating by Super bazaars, GCC, DWACRA, Rice Millers, Poultry farmers and other agencies. Except rice millers and egg counters, all other stalls belong to Government and self help groups.

In case of Rythu bazaars such as Seethammadhara, Visakha Rythu Bazaar, Narasimhanagar and Srikakulam, which are successful in their functioning, the allocation of number of stalls are more compared to other Rythu bazaars. Rythu bazaars which are having much allocation of these stalls from various other agencies other than farmers are not showing interest in the participation of sales due to lack of possibility of sales. This situation is observed in majority of the Rythu bazaars in all districts. At present, Rythu bazaars are collecting rental charges from all these agencies. Attempt is also made to examine the details of the number of farmers identified and photo identity cards issued, number of farmers coming to Rythu bazaars, number of stalls allotted to farmers and the occupancy ratio in different Rythu bazaars. As regards the number of farmers identified and the cards issued, Narasimhanagar Rythu bazaar occupied the first place followed by Seethammadhara, Gopalapatnam and Visakha Rythu Bazaar. The lowest number of farmers are coming to Parvatipuram, Amudalavalasa, Gajuwaka and Pedagantyada Rythu bazaars. Regardless of the number of stalls allotted, Seethammadhara Rythu bazaar secured
the first place followed by R & B Guest House, Gopalapatnam and Visakha Rythu Bazaar. As regards occupancy ratio in Rythu bazaars, Visakha Rythu Bazaar (MVP Colony) is having highest (138.95) Occupancy ratio. The second and third places are secured by Seethammadhara and Marripalem Rythu bazaars in Visakhapatnam district.

Distance is another criterion in the measurement of performance of Rythu bazaars in cities/towns. Rythu bazaars are established in different localities by covering the total area. All the Rythu bazaars are functioning with in a radius of 2 to 10 Kms from all the places in three districts. The Rythu bazaars in areas like Steel plant, Pendurthy, Pedagantyada, Madhurawada are far away from the main city covering a distance of 8-10 kms or even more. It is 3 to 4 Kms distance from Kancharapalem, Pedawaltair, Marripalem, Gopalapatnam and Srikakulam. Some are located at reasonable distance of 2 Kms like Amudalavalasa, R & B Guesthouse and Parva.thipuram.

Further, enquiries are made about the working hours of the Rythu bazaars and it is found that Rythu bazaars are not functioning with uniform timings. Rythu bazaars located at Srikakulam, Amudalavalasa in Srikakulam district, all Rythu bazaars in Vizianagaram district, Seethammadhara, Visakha Rythu Bazaar and Gopalapatnam are functioning in two sessions and more than 8 hours per day and others kept open for 6–7 hours. Except in Parvathipuram bazaar, the Estate Officers are appointed in all the bazaars. This situation is observed in Srikakulam, Seethammadhara and Visakha Rythu Bazaars.

The concept of Rythu bazaar is designed for the mutual benefit of both farmers and consumers. The success of Rythu bazaars can be measured by the sizeable number and continuous visit of customers. Evidently, in the three Rythu bazaars of the study area, viz. Seethammadhara, Visakha Rythu bazaar and Narasimhanagar, the number of consumers visiting per day is more than 3000. This is much higher in Seethammadhara Rythu bazaar. In particular, in Amudalavalasa and Parvatipuram Rythu bazaars only 100 and 125 consumers visit the respective bazaars. The remaining Rythu bazaars are having average flow of customers per day.

Most of the Rythu bazaars are offering 35 to 40 varieties of vegetable including leafy vegetables. Four Rythu bazaars are offering more than 30 varieties of vegetables and another ten are offering vegetables varying between 20-28 varieties in their stalls for the purchase of consumers. Gajuwaka, Pedagantyada, Amudalavalasa and Ring road
Rythu bazaars are offering less than 20 varieties of items where the consumers’ turnout is relatively poor compared other Rythu bazaars. In particular, there are 10 each in Amudalavalasa and Pedagantyada Rythu bazaars.

Further, the arrivals of quantities of vegetables and sales turnover vary from bazaar to bazaar, depending upon the number of customers visiting and varieties of vegetables offered for sale in Rythu bazaars. It can be seen that two Rythu bazaars in Visakhapatnam district, viz., Visakha and Seethammadhara Rythu bazaars represent the highest arrivals in respect of quantity, turnover both in vegetables and also sales turnover in respect of all items together. The basic reason behind this success is the farmers’ attendance in good numbers, availability of number of varieties of vegetable and functioning in both morning and evening sessions. Rythu bazaars like Srikakulam, Pedawaltair, and Kancharapalem are recorded average turnover. Very poor performance in turnover is noticed in Amudalavalasa, Parvathipuram, Gajuwaka, and Pedagantyada Rythu bazaars. The successful functioning of Rythu bazaars like Visakha Rythu bazaar, Seethammadhara, Narasimhanagar and Srikakulam can be attributed to the allocation of stalls of other agencies also besides that of farmers. This situation is seen in majority of the Rythu bazaars in all districts. At present, Rythu bazaars are collecting rental charges from all these groups. At present majority of the Rythu bazaars are meeting this expenditure with the assistance of district marketing departments. Salaries of staff of Rythu bazaars, contingent expenditure like electricity bills, phone bills, computer maintenance expenditure etc., are the major and necessary expenditure to Rythu bazaars. Very few Rythu bazaars like Visakha Rythu bazaar, Seethammadhara, Gopalapatnam and Narasimhanagar bazaars, etc. are having surplus income compared to their expenditure. Basic infrastructure facilities are very much required for the efficient functioning of Rythu bazaars. Farmers have to stay day long in the Rythu bazaars to market their produce. Hundreds of consumers visit Rythu bazaars to purchase their requirements and they may need some minimum necessities in the Rythu bazaars. Computers are also provided to all the Rythu bazaars. But only four of the Rythu bazaars are having internet and fax facilities. Besides, canteen is provided only in 6 Rythu bazaars and toilets facilities are not available in almost all Rythu bazaars in the study area.
An attempt is made to present the socio-economic characteristics of selected respondent farmers spread over different Rythu Bazaars in the North Coastal Andhra region of Andhra Pradesh. The well being of the farmers is normally influenced by their socio-economic characteristics, which include age, gender, marital status, level of education, religion, community, composition of the family, occupation, income and so on. The needs and attitudes of the farmers and their behaviour differ greatly depending upon these characteristics. The brief analysis of the socio-economic background of the sample farmers is presented hereunder by keeping in view these sample farmers and the variations in their socio-economic characteristics.

The distribution of the farmer respondents as per different age-groups is examined. It is evident that over 60 per cent of them in aggregate fall in the age-group of 31-50, followed by the age-group of 18–30, which accounts for 23 per cent of the respondents and those above 50 years constitute 15.5 per cent. An interesting observation is that in all the three districts under study slightly over 20 per cent or one fifth of the respondents are in the age-group of 18-30 years. This is a very positive sign and the estate officers at the Rythu bazaars should concentrate more on this segment of farmers.

The close examination of gender reveals that the proportion of females is relatively high i.e. 52.50 per cent among the respondents and it is a clear evidence that females are actively participating in Rythu bazaar activities. This percentage is slightly higher in respect of Srikakulam and Visakhapatnam districts. More than 88 per cent of respondent farmers are married and only nine per cent are unmarried. This is more or less same in both Vizianagaram and Visakhapatnam districts.

It is interesting to note that 94 per cent of farmers in aggregate pertain to Hindu religion and this is more or less true in all the districts. The caste or community composition of farmers shows some interesting observations. On the whole 56 per cent of farmers belong to backward castes and only 27 per cent pertains to forward (OC) community participating in this activity. The participation of SC and ST communities in agricultural activities is not much and they represent only 7 per cent and 10 per cent respectively in all districts together.

The ability of effective marketing in Rythu bazaars depends on the good communication skills, particularly in mother tongue. An overwhelming majority of 98
per cent are having Telugu as their mother tongue. Only one per cent of the farmers in Visakhapatnam and Vizianagaram districts have either Hindi or Oriya as their mother tongue. This is because of the migration of farmers from the neighbouring state of the Orissa. Along with language skills, farmers must secure other marketing skills to get success in the Rythu bazaar activity. More than half of the respondents in aggregate are illiterates and one-third of them fall in the category of having education less than SSC qualification and only 13 per cent possess SSC qualification. Among the districts, the illiterates are more in Vizianagaram district (58.63 per cent) followed by Visakhapatnam (51.93 per cent).

Family structure determines the participation and cooperation of family members in the agriculture activity. Nuclear family is the dominant structure of respondents as more than 70 per cent of them belong to this category. Those pertaining to joint family system are 29 per cent only. Among the districts, 80 per cent of respondents in Srikakulam district belong to nuclear family and this is followed by Vizianagaram district with 75.86 per cent. Family composition and its size is another factor that influences the nature and extent of agriculture activity in villages. It can be observed that over 57 per cent of the respondents are having 4-6 members in their family, followed by 22 per cent in the range of 1-3 members, 16.50 per cent in the range of 7–9 and only 4 per cent are having more than 10 members in their family. The number of dependents in each of the respondent families are also ascertained. On the whole, 78 per cent of the respondents are having 1 to 3 dependents and this is more or less same in Visakhapatnam district, whereas this percentage is 86.67 in Srikakulam district.

The level of monthly income of the family also plays a major role in the participation of farmers in the activities of Rythu bazaars. There is a correlation between family income, land holdings and cultivable nature of crops by the farmers. Over 38 per cent of the respondents are in the monthly income range of Rs. 10000 - 20000 and another 31 per cent are in the income range of Rs. 5000 - 10000. Only 2 per cent of them are earning less than Rs. 5000. The remaining 29 per cent are in the income range of above Rs. 20000.

The nature of residential accommodation of the respondents is enquired and found that 82 per cent are living in their own and independent houses, followed by 11 per cent
having Government allotted house accommodation. The economic and social status of a family depends upon the nature and type of the house in the society. Even though farmers are living in the villages, majority of them i.e. 60 per cent are living in pucca houses and another 19.50 per cent are in tiled houses. The farmers living in the thatched houses is considerably low i.e. 20 per cent. The farmers living in the thatched houses are much higher i.e. 53.33 per cent in Srikakulam district. However, the concern regarding the shelter among the farmers is appreciable and majority of the farmers secured own pucca house accommodation.

As regards properties owned by the respondent farmers in the study area, over 86 per cent of them owned their property in the form of agriculture lands and other kinds of properties are negligible. This is also true in respect of respondents in different districts. In other words, the dependency on agriculture land is more by the farmers in the villages. As regards the liabilities position of farmers, it is quite evident that 44 per cent of depended on money lenders for their day to day necessities and agricultural operations and 27.5 per cent on Banks. Another 19 per cent relied on other sources. Only 9 per cent of them borrowed from friends and relatives. The respondents are further asked to indicate whether they are holding any ration cards. It is noticed that over 96 per cent of sample farmers are having white cards and only about 4 per cent are secured the pink cards. Almost all the sample farmers in Srikakulam district possess the white cards only.

An attempt is made to study the income of the farmers before and after going to Rythu bazaars. On perusal, it is observed that 68 per cent of the respondents showed an increase in their income after attending Rythu bazaars when compared to the income derived by them prior to attending the bazaars. This highlights the fact that elimination of middlemen in the marketing of farm products has contributed to the increasing levels of income derived by the farmers. Hence, the Government has to be congratulated for having come out with this concept where it was able to succeed in increasing the level of income of the farmers by eliminating the middlemen and at the same time ensured better quality of vegetables being made available to the consumers in their proximity at reasonable prices.

It is also attempted further to present the perceptions and behavioral patterns of farmers in marketing of vegetables in Rythu bazaars. Identification of farmers to Rythu
bazaars in villages is a process and it is involved by various Government departments. Horticulture department has mainly identified the farmers in the villages as it is directly concerned in the selection process and over 96 per cent of sample farmers in aggregate are asserted about this. Rythu bazaars are providing opportunity to sell vegetables only to some farmers in villages and there are many other farmers who are growing vegetables. Among the total respondents, 62.50 per cent are agreed with the view that all the interested farmers in the villages are provided an opportunity to participate in Rythu bazaar activity. A large majority of them (83 per cent) are holding Pattadar pass books and the remaining 17 per cent are those who are cultivating Devastham lands or lease holders. As regards family members engaged in cultivation of vegetables, 41 per cent of farmers are having the representation of two family members and over 35 per cent are having three members. Majority of the farmers are selling vegetables in Rythu bazaars are small and marginal farmers with less than 3 acres of land.

Regarding irrigation facilities, 70.50 per cent of sample farmers depend on wells as their major source of irrigation followed by Tanks (15 per cent) and canals (9.50 per cent). Inadequate water supply in summer seasons is the main cause for scarcity of vegetables in Rythu bazaars. Vegetable cultivation needs investment for various purposes and out of the total farmers, 31 per cent are using their own investment and more than 1/5th of them approach Banks and 22 per cent money lenders. The influence of money lenders is much in Srikakulam district (53.33 per cent) compared to other districts. As regards size of investment, over 45 per cent farmers in aggregate incurred less than Rs.10,000 per one crop in a season and another 36 per cent farmers spent between Rs. 10,001 to 25,000.

Horticulture department plays a key role in the functioning of Rythu bazaars. It identifies vegetable growing farmers in villages, extend guidance to farmers in the vegetable cropping pattern and yields and also in the usage of pesticides and in other matters. A large majority of the farmers (68.50 per cent) expressed their satisfaction towards the services of Horticulture department. Horticulture department is the major source of supplying seeds (49 per cent) which handover directly to farmers in Rythu bazaars according to their requirement. This is followed by local traders with 46.50 per
cent. Besides, ITDA is supplying seeds and fertilizers to Tribal farmers (4.50 per cent) in Visakhapatnam district.

Farmers are expect Government’s involvement in the supply of seeds to get free from the clutches of mediators and in this context, over 56 per cent of the respondents in aggregate expressed satisfaction about the role of Government in supplying seeds to farmers. Among the total farmers coming to Rythu bazaars, 52 per cent are availing subsidies on seeds, fertilizers and pesticides and these percentages are 46.67, 51.72 and 52.56 in Srikakulam, Vizianagaram and Visakhapatnam districts respectively. Among those receiving subsidies, 85.5 per cent in aggregate are on seeds and 12.5 per cent on fertilizers and pesticides. Tribal farmers are also enjoying these subsidies from ITDA department.

Farmers may encounter so many problems in the cultivation of vegetables. Non-availability of water in summer season is the major problem for over 46 per cent of farmers, followed by non-availability of labour (32.50 per cent) and inadequate electricity supply (10 per cent).

Farmers are asked about the cultivation of new varieties of vegetables to sell in the Rythu bazaars. It is observed that 32 per cent of farmers in aggregate are cultivating new varieties for the benefit of consumers and themselves. However, a large majority of them (68 per cent) are confined to the existing varieties and these percentages are higher both in Srikakulam and Vizianagaram districts (73.33 and 79.31 per cent) respectively.

Farmers bring vegetables to Rythu bazaars from their own production. Some times, they may procure some vegetables from other farmers in the village to replenish their quantity to sell in Rythu bazaars. Among those procured, 46.67 per cent of farmers bring on average below 50 kgs of vegetables from other farmers and 38.10 of them in between 50 to 100 Kgs. Only, 15.24 per cent procure over 100 kgs from other farmers. As regards the quantities of vegetables sold, 63 per cent dispose their total quantities in Rythu bazaars, and 19. 5 per cent sold half of them in Rythu Bazaars. Among the farmers selling outside Rythu bazaars, 45.95 per cent prefer to dispose in main city/town markets. On an average, 40 per cent of the farmers bring in between 100 to 200 kgs of vegetables. Another 38 per cent bring vegetable varying between 201 to 500 Kgs. Only 10 per cent of
them make available more than 500 kgs. Variations are found among districts in the quantities supplied by farmer respondents.

Further, opinions of sample farmers are solicited about the shortage of vegetables and sought their suggestions in this regard. However, only 15.50 per cent are felt about the shortage of both vegetables and provisions in Rythu bazaars and a large majority of (80.65 per cent) of them reacted negatively. Only very few (16.13 per cent) are of the view that farmers should be allowed to secure vegetables from wholesale markets, whenever shortage is there in Rythu bazaars.

Information is also obtained about the persons visiting Rythu bazaars whether they are active participants in cultivation. It is found that 50 per cent of them attend to Rythu bazaars without disturbance to their agricultural work. About 1/3rd of them are active participants in Rythu Bazaars. Farmers visit Rythu bazaars daily from 6 am to 3 pm. Some farmers are managing both Rythu bazaar and agriculture activities by attending Rythu bazaars in alternative days. Majority of the farmers (37 per cent) travel a distance of 20 – 50 Km. Another 30.50 per cent of them cover a distance of 10 – 20 Kms. and 19 per cent cover less than 10 Kms only. Some of the farmers are coming from more than 50 Km. especially in tribal areas in Visakhapatnam district like Araku, Paderu, Narsipatnam, Dumbriguda and other villages. Regarding mode of transport, 39 per cent utilized shared carriers for reaching Rythu bazaars and another 32 per cent by RTC buses and 29 per cent by private trucks. The dependency on shared carriers is much (60 per cent) in Srikakulam district. While farmers nearby Rythu bazaars are attend by Autos and private trucks, farmers coming from long distances and big farmers having large quantity of vegetables prefer shared carriers. None of the farmers are offered any concessional transport by any agency including Government. a large majority of about 55 per cent remarked as unreasonable About the transport expenditure, a large majority of about 55 per cent remarked as unreasonable. The more the distance, the more the transport cost and vice versa.

The respondents are asked to inform since how many years, they are selling vegetables in Rythu bazaars. It is quite interesting to note that over 52 per cent of them are coming to Rythu bazaars from more than 6 years and 1/3rd of them in between 4-6 years. In fact, some of them are still continuing from the beginning of Rythu bazaars. The
continuity of farmers to Rythu bazaars depends upon various factors, new farmers may be added and some existing farmers may be discontinued from Rythu bazaars.

Farmers are allowed to sell vegetables daily in the Rythu bazaars. Among respondents, 60 per cent attend regularly and about 30 per cent twice in a week and whereas 10.50 per cent of them once in a week. In all Rythu bazaars, there are some farmers who attend only in some seasons and they are identified as seasonal Rythu bazaar farmers.

Sales in Rythu bazaars are on the basis of weighment and all the farmers need weighing machines to sell vegetables. In aggregate, 61 per cent of sample farmers purchased machines from weights and measures department and this percentage is more (80 per cent) in Srikakulam district. The rest of them bought from other sources mainly from local traders. The advent of Rythu bazaars provided direct marketing opportunity to farmers and they are now selling vegetables in the Rythu bazaars. When asked about any previous marketing experience, 75 per cent of sample farmers are having earlier marketing experience, one way or other. The rest of them do not have such experience and they totally involved in the agricultural activities. Among the experienced farmers, 50 per cent of them gained marketing skills in the local markets. Farmer’s opinions are sought as to whether selling vegetables in Rythu bazaars is beneficial to them or not. An overwhelming majority (97.50 per cent) of farmers expressed their view that Rythu bazaar sales are absolutely beneficial to them and this is 100 per cent in Vizianagaram district. Exemption of taxes, elimination of middlemen, and fixation of reasonable prices are the main reasons for deriving benefits from Rythu bazaar sales. The respondents are further asked whether they are relieved from the clutches of commission agents or not after their introduction. About 70 per cent of sample farmers provided an affirmative answer stating that they are relieved from the clutches of commission agents.

Farmer or his nominee is allowed for selling vegetables in the Rythu bazaars and except these two, others are not allowed. Some times due to busy in agriculture activity or some inevitable cause, farmer or his nominee may not attend the Rythu bazaar. It is interesting to note that 96 per cent of sample farmers strictly adhere to the principle of attending by himself or nominee only to Rythu bazaars. Only 4 per cent of farmers in aggregate are sending their representatives to Rythu bazaars on behalf of them.
The respondent farmers are also asked to indicate whether they are attending Rythu bazaars in slack seasons. Out of the total respondents, 70 per cent attend even in slack seasons without any interruption. This percentage is relatively more (75) in Srikakulam district. Among those attending in the slack seasons, 39.29 per cent attend to Rythu bazaars with less quantity and 37.14 per cent borrow vegetables from other farmers and this percentage is 50 in Srikakulam district. Another 23.57 per cent of the sample farmers bring vegetables to Rythu bazaars once or twice in a week to show their continuity.

All the farmers attending to Rythu bazaars are regular participants in the agriculture work. Over 78 per cent of them agreed that they are able to gain the benefit from Rythu bazaars which they are loosing in agriculture sector. This percentage is 82.69 in Visakhapatnam district and expressed that they are enjoying more privileges by attending to Rythu bazaars. However, 22 per cent are not happy with the situation of loosing benefits from agriculture by attending to Rythu bazaars.

The sample farmers are asked about the involvement of unauthorized traders in the Rythu bazaars and it is found that 21 per cent of them in aggregate agreed with this, but majority of 46.50 per cent of respondents not agreed with this view and this is 60 per cent in Srikakulam district. Farmers bring vegetables from their respective fields to Rythu bazaars and place them in the allotted stalls in a uniform manner. Obviously, 83 per cent of respondent farmers specified that there is no grading system in the Rythu bazaars and whatever quantity of the vegetables they sold for the same common price to all consumers. However, 34 per cent of farmers observed grading in the Rythu bazaars and they are selling their vegetables on the basis of grading.

Prices are fixed in the Rythu bazaars and they are informed to the farmers for their implementation. Evidently, 91 per cent farmers are of the opinion that prices are fixed by the Estate Officer and 5.5 per cent of farmers felt that it is the Marketing department. Even through farmers committees are involved in the price fixation in some Rythu bazaars, no body is having this awareness.

Normally, the prices in Rythu bazaars will be fixed with a margin of 20 per cent above to wholesale prices and 20 per cent below to retail prices. In case of some items like curry leaves, leafy vegetables, and coconuts, lemon fruits etc. price determination
rests with individual farmer with common understanding of other farmers selling the same items in the Rythu bazaars. As regards the opinions of respondents on the fixation of prices of vegetables in Rythu bazaars, 75 per cent of farmers are satisfied with the prices fixed in the Rythu bazaars. This level of satisfaction is 80 per cent in the sample farmers in Srikakulam district and 76.28 per cent in Visakhapatnam district. However, one-fourth of farmers are not satisfied about the prices fixed in the Rythu bazaars. The main reason for their dissatisfaction is that the Rythu bazaars prices are lower than the local market prices and 64 per cent of dissatisfied farmers accounted for this. The prices are also lower for 36 per cent of farmers compared to their investment in agriculture. The dissatisfied sample farmers are further asked to specify whether they have lodged dissent with the higher authorities for suitable action. It is observed that 76 per cent of dissatisfied farmers are expressed their unhappiness over the lower prices and another 24 per cent kept silent on this. The rational and reasonable price should be fixed in the Rythu bazaars to protect the interests of the farmers.

The farmers bring different kinds of vegetables in varying quantities to Rythu bazaars depending upon the production and possibility of sale. Over 40 per cent of farmers are able market their total quantities of vegetables, whereas nearly a large majority of 60 per cent of them are unable to sell their total quantities. There are many reasons for their inability to sell the vegetables in the Rythu bazaars. About 49 per cent of the farmers in aggregate expressed that same category of vegetables are brought by majority of the farmers. Inadequate business hours and the threat of outside vendors are the other reasons for this situation.

The respondents are also asked to indicate whether there are any storage facilities in Rythu bazaars to keep the unsold stocks of vegetables and it is found that 36.50 per cent of them agreed for this and a large majority of 63.50 per cent of farmers informed about the non-availability of the same. Different sample farmers adopt different methods for the disposal of unsold vegetables in Rythu bazaars. Evidently, 34.50 per cent of sample farmers store the unsold vegetables in Rythu bazaars only. Another 27.50 per cent dispose the unsold stock to local vendors and 24 per cent sell for lesser prices to customers.
Along with the vegetables, farmers may have the accessibility of some other items like flowers, fruits, and coconuts etc. which are useful to consumers in their day to day consumption. Opinions of the farmers are sought as to whether they are allowed to sell these items in the Rythu bazaars and if not, do they require such arrangement. It is found that 41.50 per cent of sample farmers in aggregate are selling the above products at present in the Rythu bazaars with or without the knowledge notice of Estate Officer. In all big Rythu bazaars, some specified rental stalls are allotted to farmers to sell these types of items.

Farmers sell vegetables in Rythu bazaars for cash and they get sale proceeds immediately on regular basis. The opinions of sample farmers are asked about the usage of these sale proceeds and found that 56 per cent of them utilize the same for repayment of loans and 16.5 per cent keep them as savings. Another 14 per cent of them reinvest in agriculture and 13.50 per cent use for domestic purposes. 54.55 per cent of sample farmers who opted for savings are preferred banks as their source of savings. This is because they feel safe and secure in this form of savings compared to other methods. Some are going for private chits as one form of savings and it is included in others category (36.36 per cent).

Farmers come from different villages to sell vegetables in the Rythu bazaars. Often farmers may be shifted to other Rythu bazaars and there also they have to mingle with new farmers and need adjustments. In this context, the responses are solicited from the respondents how the cooperation of other farmers in the Rythu bazaars. It is quite interesting to learn that even though there is a possibility of differences among farmers, 89 per cent of them expressed their opinion as the other farmers are very cooperative. Some sort of understanding and adjustment mentality created this atmosphere and coordination among farmers.

Farmers are allotted stalls in the Rythu bazaars and they have to keep their vegetable stocks in those stalls and sell to consumers. In this context, 68.50 per cent of farmers expressed their satisfaction towards the sufficiency of space in the stalls allocated to them. Above 80 per cent of farmers are happy in this regard both in Srikakulam and Vizianagaram districts. However, 31.50 per cent of them felt about the space as insufficient.
Farmers can be rotated from one Rythu bazaar to another as per the Rythu bazaar manual. When asked about this, surprisingly, majority of the respondents (73 per cent) showed disinterest in the rotation system. Enquiries are made about the respondents’ opinions on the convenience of timings in Rythu bazaars and 71 per cent of them felt convenient of the timings and the present working system is smooth and they are able to sell their vegetable without any hurdles. Over 93 per cent of respondents in Srikakulam district also asserted about this.

Basic amenities should be arranged in all Rythu bazaars for the use of both farmers and consumers. Interestingly, 81.50 per cent of sample farmers opined that they are provided with drinking water facility in the Rythu bazaars supplied from Municipality / Corporation tanks. Over 57 per cent of sample farmers as a whole and in particular 93.33 per cent in Srikakulam district expressed their satisfaction over the arrangements towards sanitation. Besides, shelters are necessary to farmers to take rest in the Rythu bazaars. Farmers coming from distant villages may stay in the night and such farmers also need of shelter arrangement. Unfortunately, only 11 per cent of farmers reported about the availability of shelter arrangements in Rythu bazaars. Hundreds of farmers attend to Rythu bazaars from different villages to sell vegetables. Obviously, only 13.50 per cent of sample farmers agreed that the subsidized canteen facilities are available in Rythu bazaars and a large majority (86.50 per cent) of them expressed that this provision is not there and therefore, they are not enjoying this benefit. So canteen facilities are required in the Rythu bazaars to cater the food needs of farmers. Evidently, 62.43 per cent of sample farmers favour to establish this provision in Rythu bazaars and the remaining farmers (37.57 per cent) are not interested in this provision as they want to make their own arrangements in the food and snacks supply.

Estate officers are the ultimate authorities in the functioning of Rythu bazaars and 75 per cent of respondents expressed satisfaction on the role played by them in the functioning of Rythu bazaars. According to them, grievances are attended by the Estate Officers and they get cooperation in all respects in Rythu bazaar activities. However, one-fourth of them felt that people are not happy with the functioning of Estate Officers and they are not up to the expectation of the farmers in the Rythu bazaars activities. They demand well qualified and trained people should be appointed as Estate Officers. 81 per
cent of sample farmers are satisfied about the role of all departments in the effective function of Rythu bazaars.

Farmers are experiencing various problems in their day to day functioning in Rythu bazaars. Among them, the problem of storage of coins and small denominations is experienced by 29 per cent of sample farmers in aggregate. The second important problem is the irregular allotment of shops in many Rythu bazaars and 28 per cent of farmers experienced this. In the study area, Rythu bazaars’ functioning also measured with the opinions of farmers on some aspects like environment, hygiene, facilities and price mechanism. It can be seen that in terms of environment, over 96 per cent expressed from excellent to good grading. In the measurement of hygiene in Rythu bazaars, again 68 per cent of them opted good grading and 31 per cent as average. This recognition is 80 per cent in Srikakulam district. It shows the feeling of the farmers that prices are somewhat reasonable compared to outside sources in Rythu bazaars.

The respondents have offered certain suggestions for better functioning of Rythu bazaars. It can be observed that majority of them (62.50 per cent) requested the provision of cold storage facilities in Rythu bazaars. Second important suggestion contributed by the considerable percentage of farmers (41.50) is the creation of awareness of market trends and price variation among farmers. Some of the farmers suggested the provision of adequate parking facilities, improvement of amenities etc. Further, a statutory study team should be constituted in every district to study and monitor the problems of Rythu bazaars.

So far we have focused attention on the socio economic characteristics of farmers and their perceptions and behavioural patterns on the marketing of vegetables in Rythu bazaars. Now we deal with attitudes, buying behaviour and preferences of consumers spread over the three districts in North Coastal Andhra Pradesh towards the Rythu bazaars. One of the major problems confronting the vegetable sector in India is that planners, producers and those involved in marketing do not give adequate consideration to the needs, preferences and behaviour of consumers. As a result, consumers have to rely on the decisions of others and automatically, this undermines the production and marketing functions of vegetable sector. In fact, the consumer is the most important
person in any marketing chain. Consumer satisfaction is the ultimate objective of the marketing process.

The response of consumers to Rythu bazaars depends upon the population of the area. The number of consumers visiting urban based Rythu bazaars are more and whereas this proportion is less in rural based Rythu bazaars. The details of district and Rythu bazaar-wise distribution of consumer respondents are examined. The number of Rythu bazaars and the representation of respondents are varying in all these three districts. In Visakhapatnam district, the number of Rythu bazaars functioning are 12 and respondents considered for the study are 199. Even in this district also, the flow of consumers in some Rythu bazaars is more and in other bazaars are nominal. In all Rythu bazaars of Visakhapatnam district, Seethammadhara Rythu bazaar is representing 18.59 per cent of sample farmers and the least is in Pedagantyada Rythu bazaar with 3.02 per cent. In Srikakulam district, two Rythu bazaars are working and the percentage of consumers representing from these two bazaars are 85.71 and 14.29 respectively. The popularity of Rythu bazaar and flow of consumers determines the volume of sales and turnover.

The age distribution influences the behavioral pattern of the respondent consumers visiting Rythu bazaars towards their preferences to the Rythu bazaar purchases. It is observed that 31–50 is the dominant age-group when the total respondent consumers are taken into consideration. This is also true in respect of sample consumers in different districts. The aggregate picture further shows that about 25 per cent of consumers over 50 years of age visit the Rythu bazaars followed by 18 per cent of consumers in the age group of 18–30. Out of the total respondents, 65.60 per cent are male and the remaining are female and it is also more or less same in respect of Visakhapatnam District.

The occupational distribution of respondents shows some interesting observations. Out of the total respondents, 48.35 per cent belongs to employee’s category. Housewives constitute the next important category (16 per cent) followed by the category professionals like doctors, lawyers etc. (13.20 per cent). Those belong to others which include day to day wage earners, retired employees and they represent 12.8 percent and lastly, 9.6 percent are engaged in business. The level of income of the individual also influences the preferences of the respondent consumers. 56 per cent of the
respondents in aggregate are in lower income group of less than Rs. 20,000. About 30 per cent of them fall in the middle income group ranging from Rs. 21,000 - 50,000. Only over 14 per cent remains in the higher income group of above Rs. 50000. In other words, majority of the buyers availing Rythu bazaars are lower as well as middle income people in all the districts.

Even though purchasing of vegetables through Rythu bazaars is a newly created activity, it is slowly gained momentum and the consumers are visiting the Rythu bazaars. About 43 per cent of the consumers are visiting since more than 6 years and another 30 per cent between 4 to 6 years. Those making purchases between 1–3 years are 20 per cent and those less than one year is 7.2 per cent. But there are variations among the district wise analysis. Proximity of residence to Rythu bazaars and reasonable prices of vegetables are the prominent reasons for visiting Rythu bazaars by consumers. Evidently, over 35 per cent of consumers in aggregate visit the Rythu bazaars due to proximity of residence followed by 28.8 per cent of them due to reasonable prices. Another 14.8 per cent visit them because of both the reasons. More or less similar reasons are seen mostly in respect of Visakhapatnam district and other districts.

An attempt is made to present the distribution of consumers on the basis distance of residence to Rythu bazaars. About 39 per cent of consumers are having residence in distance less than one Km and 52.8 per cent between 1- 3 Km. A close examination of the situation in Visakhapatnam district shows more or less similar picture. Information is collected regarding the number of Rythu bazaars visited by the consumers in the study area. The glaring reality is that 72 per cent of respondents are confined to only one Rythu bazaar for their purchases and another 28 per cent visited more number of Rythu bazaars. A close examination of the reasons for visiting more than one Rythu bazaar shows that 45.71 per cent of respondents particularly in Visakhapatnam district are interested in other bazaars because of availability of more number of varieties and another 32.84 per cent are due to availability of fresh quality vegetables. As regards the frequency of visits to Rythu bazaars, it is observed that more than 43 per cent of respondents in aggregate make purchases once in a week and 34.4 per cent twice in a week. This pattern is seen mostly in Visakhapatnam district. Husbands dominate in general in making the purchases from the Rythu bazaars. Accordingly 40 per cent of the purchases in aggregate are made
by them followed by house wives (38.4 per cent) and children (16 per cent. This pattern is seen mostly in Visakhapatnam district.

The respondents are probed to know their earlier sources of purchasing vegetables prior to the introduction of Rythu bazaars. Obviously, 44 per cent of them are used to purchase from local markets and another 34 per cent from nearby vegetable stalls. Those depended on nearby stalls are higher in Visakhapatnam district (36.18 per cent) and 32.44 per cent in Vizianagaram district. At present, 70.4 per cent of respondents purchase all the required vegetables from Rythu Bazaars and only 29.6 per cent reacted negatively. It is 85.71 per cent in case of Srikakulam District. In respect of Vizianagaram district, more than 62 per cent are making purchases from Rythu bazaars and the balance seeking from other sources. In other words, majority of respondents are satisfied with the number of varieties and items provided by Rythu bazaars.

Information is sought from the respondents as to the number of varieties of vegetables purchased from Rythu bazaars. About 63 per cent of the respondents purchase in between 5-10 varieties of vegetables in a week for their consumption. Another one-fourth of them buy less than 5 items. As vegetables are perishable in nature and it is not possible to keep them fresh for long time, consumers prefer to buy lesser varieties of vegetables and in limited quantities. Further, over 41 per cent of respondents purchase grocessories and fruits along with vegetables from Rythu bazaars. This trend is mostly seen in Visakhapatnam district (46.73 per cent) followed by Srikakulam district (42.86 per cent). Three-fourths of the respondents (75.20 per cent) are having the habit of coming to Rythu bazaars in the morning session especially before 8 AM. This is mostly found in Viskhapatnam and Vizianagaram districts. The reason behind this is that they are able to get fresh vegetables in the morning and they also find leisure time to spend in Rythu bazaars. Respondents coming to Rythu bazaars between 8 AM to 10 AM are also considerable (36 per cent) found in more or less in all the districts.

There is a criticism on the functioning of Rythu bazaars on the plea that larger quantities of vegetables are not available after 10 AM in the morning and 68.80 per cent of consumers agreed with the above statement. This percentage is more (73.89) in Visakhpataan district and they are the main victims. The major hurdle for the non-availability of vegetables after 10AM is the purchase of large quantities by hotels and
retail vendors and about 56 per cent of the respondents confirmed this and this is also true in respect of Visakhapatnam and Vizianagaram districts.

Further, the respondents’ views are sought on the quality of vegetables and it is found that 82.40 per cent of them asserted about the availability of fresh vegetables from Rythu bazaars because of their proximity to vegetable growing villages About 69 per cent of them agreed with the view that the vegetables are of expected quality and this percentage is more in Visakhapatnam district (71.52 per cent), followed by Vizianagaram and Srikakulam districts. About 47 per cent of the total respondents are of the opinion that quality of vegetables in Rythu bazaars is superior to local markets, private vendors and merchants and street vendors. Another 24.8 per cent felt that quality is same as in the case of other suppliers stated above.

Consumers are allowed to exercise the right of selection of vegetables and it is confirmed by a large majority of 85.60 per cent of respondents. In respect of Visakhapatnam district also about 82 per cent are allowed. However, almost all the consumers of Srikakulam and Vizianagaram districts are enjoying the privilege of picking up of the best quantity from the available vegetables in Rythu bazaars. Information is gathered on the grading of vegetables from respondents. While purchasing goods and vegetables, people expect standard quality. Evidently, about 71 per cent of the respondents have not observed grading in Rythu bazaars. Price variation can be found in case of these vegetables purchased by consumers. Even though grading is not there, majority of the consumers (66.10 per cent) are not in favour of implementation of grading in Rythu bazaars and only one-third of them preferred grading. Almost all respondents from Srikakulam and Vizianagaram districts are not in favour of grading but in case of Visakhapatnam District 42.85 per cent are favoured the grading.

An attempt is made to ascertain the facts about the sale of second grade vegetables in Rythu bazaars and more than half of respondents felt as it is true. They further opinion that much of the first grade vegetables are selling outside to hotels, hostels and retail vendors. Evidently, 42.86 per cent of them opined that the farmers are selling the vegetables to outside sources for the same price. An equal percentage of them expressed that the farmers are selling vegetables to higher prices to outside sources. If
these responses are true, these sales must be regulated by the authorities to provide best possible benefit to consumers coming to Rythu bazaars.

As regards the display of price lists, it is found that 58.80 per cent of respondents are aware of prices from the price lists displayed in Rythu bazaars before they purchase vegetables and another 28 per cent felt that they observe price lists occasionally. Information is also gathered from the respondents regarding the observation of price variation according to grades in Rythu bazaars and more than 49 per cent of respondents agreed that there is no price variation in the Rythu bazaars and another 30 per cent expressed as they have no idea about this. However, it was informed that all farmers have to sell for the same price of one category of vegetables and there is no variation as per grades.

An attempt is made to find out the reasonableness of the prices charged in Rythu bazaars on vegetables and grocossories. Majority of the respondents (63.20 per cent) expressed that the prices charged in Rythu bazaars are reasonable in the case of vegetables and another 34 per cent expressed as lower. In case of district wise analysis, 66.33 per cent from Visakhapatnam district, 100 per cent from Srikakulam district and 54 per cent in Vizianagaram district felt that prices are reasonable in respect of Vegetables. As regards grocossories, it was observed that among those respondents who have bought them about 79 per cent felt as reasonable. Among the districts, almost all respondents in Srikakulam district and three fourths in Visakhapatnam and Vizianagaram districts opined as reasonable.

More than 67 per cent of consumers in aggregate reacted positively to the question that whether the prices fixed in Rythu bazaars are reasonable and about 33 per cent reacted negatively. These responses are more or less similar in Visakhapatnam district. Regarding mobile message services through SMS, only 10 per cent of respondents more particularly in Visakhapatnam district are using and no body is using in other districts. It is also attempted to ascertain the price bargaining behavior of respondents and found that approximately half of them (50.40 per cent) are involved in the bargaining of prices in Rythu bazaars. The fact is that some of the farmers are obliging the request of consumers and selling the vegetables below the prices of price board especially at the end of the sales. There is some variation in prices among farmers
regarding the same vegetables and products in Rythu bazaars and the opinions of respondents are sought on this. It is observed that that a little more than half of the respondents agreed with the above view and these percentages slightly higher in Srikakulam and Vizianagaram districts. This is mainly due to bargaining nature of consumers and some times depending upon the nature of vegetables and products.

Opinions of respondents are sought whether the price fixation should be left to the farmers in Rythu bazaars. Only 31.60 per cent of respondents are favoured this opinion and a large majority of 68.40 per cent are against to this concept. They are further asked to specify whether the consumers should be made a party to price fixation and 59.60 per cent of respondents not showed any interest to involve them in the price fixation. Interestingly, over three-fourths of the farmers are following the price list and they are selling vegetables according to the prices fixed by the authorities and this is common in all the districts. In this context, the respondents are further asked to indicate whether they resort to any altercation regarding prices in Rythu bazaars with farmers. It is observed that only 28.40 per cent of consumers are faced some arguments with farmers and 49.20 per cent of them are not involved any type of altercation with farmers. This situation is found in more or less in all the districts. The researcher has enquired the opinions of consumers regarding farmers allowing purchasing small quantities in Rythu bazaars and 64.40 per cent of them are of the opinion that farmers are allowing them to buy all vegetables according to their choice.

The consumer respondents are also asked about the consumption of new varieties of vegetables after going to Rythu bazaars. Interestingly, 69.20 per cent of respondents are habituated with new varieties. Consumers are also asked about the changes in food habits after going to Rythu bazaars. Evidently, 60 per cent observed the change in food habits and they feel better in their food habits than their earlier way of life.

As regards the expenditure pattern of vegetables by respondents before and after going to Rythu bazaars, over 42 per cent of them represent the category of Rs. 200–500 and another 42 per cent represent Rs. 500–1000 category which are the major categories under the monthly expenditure of vegetables. Interestingly, after going to Rythu bazaars, the respondents under the expenditure category of less than Rs. 200 have increased to 22 per cent and that of Rs. 200–500 category increased to 53.60 per cent showing
considerable increase. It can be concluded that majority of the buyers are availing the Rythu bazaars from middle as well as lower income group people. With regard to business hours of Rythu bazaars, over 81 per cent are satisfied with the present business hours either morning or evening and they do not want any change in the business hours.

Information is gathered on the difficulties experienced by the respondents in Rythu bazaars and the reasons for the same. It is found that 61.60 per cent expressed that they are facing difficulties in their marketing in Rythu bazaars. However, the nature of difficulties and the reasons for the same vary from respondent to respondent and Rythu bazaar to Rythu bazaar. Out of the total problems experienced by the respondents, 20.78 per cent expressed their concern towards sale of large quantity of vegetables to hotels which is considered as their major difficulty and they are not able to get required and good quality at the time of their purchase. A cross section of respondents (17.53) is opined that they are not able to purchase some varieties of vegetables from Rythu bazaars and 11 per cent of them facing problems in getting required information. However, majority of the respondents (69.20) are happy with the functioning of Rythu bazaars in slack and scarcity seasons also. This satisfaction is more pronounced in Srikakulam district (92.86 percent) than other districts.

Regarding the introduction of mobile Rythu bazaar majority of the respondents i.e. 56.80 per cent are not in favour of this idea, as it is not possible to select many varieties in this system. But in the district-wise analysis, the respondents from Visakhapatnam district, 50.25 percent are favoured the introduction of mobile Rythu bazaars as some of them are residing too far to the Rythu bazaars. Over 59.20 per cent are in agreement with the arrangement of seafood and poultry stall and they are strongly supporting these stalls in Rythu bazaars and this situation is found in all districts with slight variations. There is a proposal by the government to make the Rythu bazaars as shopping malls. But 57.60 per cent of the respondents are against to this proposal as this facility defeats the basic objective of Rythu bazaar concept. Over 46 per cent of respondents are happy as they noticed change in their standard of living. However, another 53.60 per cent not found any change in their way of living. Majority of the people i.e. 41.60 per cent are not aware of the package schemes introduced by the authorities. Another 33.60 per cent of them are not interested in these schemes. Evidently, 59.60 per
cent respondents felt that farmers are turned their attitude as traders in their behavior and this attitude is much observed in Visakhapatnam (61.81 percent) and Vizianagaram (59.46 percent) districts respectively.

Regarding the role of middlemen in the Rythu bazaars, 55.60 per cent of respondents expressed that middlemen are not seen in the Rythu bazaars and all are farmers only. But another 44.40 per cent of them felt that middlemen are continuing in one way or other in Rythu bazaars.

An attempt is made to study the participation and functioning of rice millers and DWACRA groups in Rythu bazaars. However, the functional behavior of the above groups is under the criticism by majority of the respondents (55.60 per cent) and they are questioning about the integrity of these groups. In so many bazaars, the real allotment people are not seen in the stalls and in their name middlemen are exploiting the situation and consumers. The respondents suggested for the supervision of Marketing and Civil Supplies department on these groups. Another 37.84 per cent of people suggested for implementation of rotation system in different Rythu bazaars. Even though regulatory measures like constant supervision by concerned authorities, rotation system to other Rythu bazaars are suggested by majority respondents, strict vigilance is required on these groups for the smooth functioning of the Rythu bazaars.

The opinions of respondents are gathered on the establishment of Rythu bazaars as a possibility of check on the activities of other vegetables vendors. For this, 70 per cent of the respondents reacted favourably and they feel it as a threat if they don’t do business properly. The responses are mixed in nature for the statement that the motive behind the establishment of Rythu bazaars is consumer oriented or not and more than half of them (51.20 per cent) felt it is for the benefit of consumers. Another 33.20 per cent of them expressed that they are purely farmer oriented. Obviously, 81.60 per cent of respondents of all groups are enjoying the services provided by Rythu bazaars irrespective of their level of income. This is relatively more (83.42 per cent) in Visakhapatnam district. Regarding weighment in Rythu bazaars, 76.80 per cent of respondents are satisfied with their accuracy and this tendency is observed in all districts.

Among the total respondents, only 34.40 per cent are aware about the usage of computers in Rythu bazaars. A large majority of consumers in a routine manner purchase
the vegetables in Rythu bazaars and they do not spend much time on other matters even to see the Estate Officer also. Even the people who are having the awareness of usage of computers also not totally availed the services from computers. Only 20.93 per cent of respondents secured the necessary information from the Estate Officer through computers and a large majority of over 79 per cent of them are not using the required information.

Estate officers are the real executive people in the Rythu bazaars and when asked about their functioning, about 65 per cent of respondents expressed satisfaction on their working. This percentage is much more (92.86) in Srikakulam district. About 35 per cent of respondents expressed that some of the estate officers are not seen in the Rythu bazaars and they are not available to both consumers and farmers. The absence of estate officers may cause many irregularities and problems in the Rythu bazaar functioning.

*The experience of 67.20 per cent of respondents is satisfactory in solving their issues by the Estate Officers. This situation is observed more (92.86 per cent) in Srikakulam District. As regards the organization and maintenance of the Rythu bazaars, about 73 per cent respondents in aggregate are quite happy with the present functioning of the system. Their requirements are fulfilled and they are able to secure the vegetables and provisions smoothly. Over half of the respondents (50.80) felt about the involvement and co-operation of Revenue department in Rythu bazaar activities as only nominal. This carelessness attitude is observed much (54.27 per cent) in Visakhapatnam district by the respondents.*

Majority of the respondents (64.40 per cent) not agreed with the statement that there is not much improvement in the performance of Rythu bazaars due to change of Governments and they are only continuing these bazaars like any other programme. This statement is strongly denied by 85.71 per cent respondents from Srikakulam District. Over 50 per cent are the total respondents are aware of the closure of some Rythu bazaars and this is more so in Visakhapatnam and Vizianagaram districts. One-fourth of them felt wrong location as one of the reasons behind the closure and another 30 per cent specified about inadequate facilities and about 28 per cent regarding competition from local market. The dearth of inadequate facilities is felt more (66.67 per cent) in Srikakulam district. Over 99 per cent respondents are for the continuity of these Rythu bazaars in the present vegetable marketing and they are fully confident of future prospects of these
Rythu bazaars in the economy. There is no threat in their continuity and future prospects are sure to these bazaars from all respects. Further, about 85 per cent of the respondents are agreed with the view that establishment of these bazaars are a development measure to the state. Quite astonishingly, over 71 per cent of them have not considered it as a politically motivated activity. The same attitude is prevailed in all districts among respondents. The glaring fact is that, 96 per cent of respondents are agreed with the view that Government is initiating necessary steps for the better functioning of Rythu bazaars. However, they pleaded for setting right of functional irregularities to keep the hopes of all consumers.

Majority of the respondents are in agreement with the availability of facilities like good parking space, hygiene environment, large moving space, display of price lists, availability of cool drinking water and availability of toilets in Rythu bazaars. In case of public telephone and internet facilities and convenience of bus facility to Rythu bazaars are not sufficient as observed by majority of respondents.

Interestingly, a number of suggestions were offered by the sample consumers for the betterment of Rythu bazaars. It is found that 74 per cent respondents suggested to provide different varieties of vegetables and another 62 per cent requested the introduction of sale of fruits in Rythu bazaars. Besides, 34 per cent suggested for the extension of business hours in Rythu bazaars and 31.20 per cent of them felt the need for arrangement of chain supply in the bazaars. The rationality of the suggestions should be examined and feasible suggestions can be implemented wherever necessary. Other suggestions include provision of complaint boxes and registers, and also establishment discipline committees of Rythu bazaars which can help in solving of the disputes between farmers and consumers. Regular attendance and continuous availability of Estate Officers and their supporting staff in Rythu bazaars eliminate so many irregularities and altercations in the early stage and create congenial environment in the smooth functioning of Rythu bazaars.
9.15 Policy Implications and Suggestions

Rythu Bazaars have an outstanding success in Andhra Pradesh and have brought immense benefits to the farmers participating in them. They have transformed the environment in which farmers in Andhra Pradesh market their produce. They give them an organized place to sell their produce directly to consumers under government protection and at prices that are better than they used to get. Farmers are provided with infrastructural facilities and support services like transport, storage options and such like. Rythu Bazaars protect them from the harassment that they were otherwise facing at the hands of middlemen. On the other hand, consumers can avail the benefits of good quality products at reasonable rates. In other words, Rythu Bazaars showcase one of the most successful models of direct marketing of agricultural produce in the country. Its uniqueness lies in the kind of support it has received from the government. While some other Indian states also have farmers markets, very often their smooth functioning is jeopardized because of political compulsions and resultant withdrawal of Government support. Rythu Bazaars have been operating for over two decades and have adapted to changing times in terms of upgradation of facilities. They have found acceptability amongst both farmers and consumers.

Thus, the linking of farmers to markets is a dynamic and ongoing process with no one best solution. The Rythu Bazaar model has a lot of lessons to share in terms of keeping farmers’ needs in mind while developing a direct market mechanism, helping farmers to be aware of local needs and adapt to new demands. It also offers lessons for meeting consumer satisfaction and running the markets through a well formed management and administration structure. It is these lessons that this study seeks to capture. However, modifications in the present market framework are necessary to strengthen the existing Rythu Bazaars. The policy implications of the above findings are that concerted efforts are needed by the planners and policy makers to popularize the concept of ‘Rythu Bazaar’ in the state on the one hand, while developing suitable infrastructures at these Bazaars on the other. The following are the major suggestions for further improvement of Rythu Bazaars.
1. Government must ensure the right location before establishment of a Rythu bazaar in the interest of farmers and consumers. It should conduct a pilot survey and identify the right location prior to the establishment of Rythu Bazaars. They should be located in convenient places. Wherever adequate accommodation is not available, it is advisable to secure shared shelters from market yards, bus stands and other proximity places.

2. Given the size of the fast growing population of cities and towns and in view of the importance given to urban areas by the State Government, the existing Rythu Bazaars are unable to meet the requirements of consumers. Therefore, there is a need to increase the number of Rythu Bazaars in different areas of cities and towns. Moreover, strategic locations should be identified to relocate some the existing bazaars and also to establish new ones.

3. There is also a need to establish many Rythu Bazars in different districts for every 10-15 villages at strategic locations with adequate market infrastructure like cold storage units, processing units, grading facilities, marketing facilities, etc.

4. A permanent Rythu Bazaar can create confidence in farmers and consumers to safeguard their interests and therefore, Government should convert the Semi-permanent and Temporary bazaars into permanent bazaars in a phased manner and provide the necessary amenities for the better performance of their activity.

5. To attract more customers to the existing bazaars, the functioning of Rythu Bazaars must be strengthened by the Government in all aspects. Suggestions can be invited and suitable measures can be initiated to strengthen the organizational structure for better functioning of Rythu bazaars. In addition to this, the uneconomic bazaars must be closed or merged with successful bazaars to avoid their overheads. Incentives must be given to those producers who sell their produce in Rythu Bazaars in terms of supply of quality seeds, transportation, packing material and other inputs at cheaper rates.
6. Government is not paying proper attention on some of the bazaars in the provision of amenities due to their poor performance. To attract more number of farmers and consumers to these bazaars, Government has to provide all necessary infrastructure facilities for the better functioning of Rythu bazaars.

7. Proper and sufficient transport facilities may be provided to the farmers from all the neighbouring vegetable producing villages as well as from the residential colonies ensuring the official bus stops rather than request bus stops at Rythu bazaars. Concessional and monthly bus pass system should be provided to farmers.

8. Earlier, the State Government has arranged transport facility by engaging RTC buses but these services are inadequate in terms of number of buses and their frequency of visits, causing interruption for attending the Rythu bazaar in time. Hence, the transport facility should be arranged by state frequently so that proper punctuality can be maintained for attending bazaars.

9. Proper storage facilities for the unsold vegetables, which are perishable in nature, may be provided. Sufficient care should be taken to keep the unsold stock in Rythu Bazaars without any loss to the farmers. There is a need to provide zero energy cooling chambers and cloak rooms for keeping unsold vegetables during night times at Rythu bazaars. Construction of market yards and warehousing godowns at appropriate places will improve the smooth operation of exchange function (buying and selling). Facilities for parking of vehicles, drinking water, toilets, telephone, fax, internet and other facilities should be extended to Rythu Bazaars.

10. The Government should take adequate measures to educate both farmers and consumers about farmer’s market and explain them the benefits of participating in the mutual exchange process. Local administration should also enlighten the farmers to acquaint themselves with the latest marketing strategies and help them become efficient and self-sufficient farmers. To bring the product at door steps
farmers should be given place of market with the help of local (panchayat) organization.

11. During the course of the interaction with the consumers it is observed that only a few items of vegetables are available in the Rythu bazaars. As all the required items are not available, the consumers are forced to go to other markets for the rest of the vegetables. Therefore, for the successful functioning of Rythu bazaars the supply of all types of vegetables regularly at fixed prices may be ensured. To facilitate and attract both consumers and cultivators, the non-available vegetables and other essential consumable goods may be supplied through self help groups and other agencies. The supply of eggs may be ensured through Egg Growers Association.

12. For effective implementation of uniform prices, thorough check must be made by the Estate Officer and marketing department and the complaints if any should be viewed seriously. In order to encourage more people to visit Rythu bazaars, the Government should fix the competitive price, grant concession in rents and taxes, arrange proper storage facilities and so on. The availability of essential goods of quality with reasonable price at one place along with vegetables can become an added advantage to the consumers.

13. The processing and cold storage facilities in the existing Rythu Bazars should be strengthened to avoid glut in the market during peak season, minimize fluctuations in the price and to give remunerative price to the producer avoiding forced sales. Administration of prices at different levels of marketing is the need of the hour. The fixation of prices should be based on quality of vegetables and other provisions. Marketing Department has to take special care to regulate marketing activities and control middlemen. There should be a mechanism for regulation of crowds at peak periods.

14. A complaint cum suggestion box must be provided in all Rythu bazaars to ventilate the problems of both farmers and customers. Once in a week, an
interactive session may be conducted in the presence of consumers and farmers with the participation of concerned departmental officials to solve the problems then and there.

15. For effective functioning of Rythu Bazaars, there is a need for identification of vegetable-growing farmers and encourage them to sell their products in Rythu Bazaars. A special committee needs to be appointed to identify village farmers. Farmers should be trained to preserve their vegetables to keep them fresh. Training of farmers in the areas of grading, standardization of produce, quality control and modern methods of marketing will prove to be a viable move.

16. The farmers should be motivated to grow all types of vegetables in their agricultural lands. Hybrid varieties should be introduced to increase the productivity. The Horticulture department should visit the fields of vegetable crops and proper guidance must be given to farmers for improving quality and quantity of vegetables. Further, they should be extended all possible help in terms of provision of short term and medium term loans from commercial banks and co-operative banks for digging bore wells and purchase of motor pump sets to farmers for the continuous supply of water in all seasons to avoid shortage of vegetables in Rythu bazaars. They should also be provided of fertilizers and quality seeds on subsidy basis.

17. As all the customers cannot accommodate themselves for a particular timings causing very inconvenience to many and this should be avoided. Hence, the Rythu bazaars should be operated for full day according to the needs of the area, so that some more customers can be attracted and also the farmers can make more profits.

18. A regular and qualified Estate Officer with compulsory agriculture background may be posted for each Rythu bazaar to ensure the smooth and effective functioning of Rythu bazaars. Along with the Estate Officer, Assistant Estate Officer and other supporting should also be appointed in all big Rythu bazaars to
share the work of Estate Officer. Lack of knowledge and dearth of experience is often causing inability in solving issues by some Estate Officers. They must be provided sufficient orientation and training before handover the work.

19. The Estate Officers must observe weights and quality of vegetables sold at Rythu Bazaars. They should ensure the presence of other departmental officials like Agriculture, Horticulture, Marketing, Civil Supplies, Markfed and Oilfed etc. to cater the needs of the farmers and consumer as and when it is required. Estate officers must observe weights and quality of vegetables sold at Rythu Bazaars. The farmers should have clear information regarding the market conditions.

20. Government should encourage active participation of self help groups and other agencies in all Rythu bazaars to market the fruits, vegetables and other food items, which are not available in the operation area of Rythu Bazaars in the district and also to extend better facilities to consumers and to get self-sufficiency in generating of income by Rythu bazaars. The Civil Supplies Department has to arrange procurement of vegetables, rice and other essentials from neighbouring districts and villages and see that the supply of items to Rythu Bazaars to run them properly.

21. The Girijan Co-operative Corporation has recently stopped to stock and sell their products at Rythu Bazaars. It should be persuaded to provide all agency products available to consumers visiting Rythu Bazaars.

22. Research may be conducted to know that the demand of consumers and availability of vegetables in the market along with existing rates and projected rates of their vegetables.

23. Some Rythu Bazaars have been able to generate adequate income through auction of parking spaces and canteen facilities for the maintenance of the Bazaar. Since infrastructure facilities are provided free of cost by the Marketing Department, all Rythu Bazaars are being encouraged to generate their own income towards recurring expenditure. In order to achieve this, all Rythu Bazaar should eventually
be converted into mutually aided cooperative societies so that their management can be handed over to farmers themselves.

24. All bazaars should sustain self-sufficiency in the long run interest of Rythu bazaar activities by seeking various alternative sources of income to reduce the burden on Government. Advertising hoarding should be allowed to secure additional income for Rythu bazaar maintenance. Parking fee should be collected to augment in come to Rythu bazaars wherever possible.

25. Awareness should be created not to use plastic carry bags both by the farmers and consumers in all Rythu bazaars in the interest of conservation of nature.

26. At present, the security arrangements in Rythu bazaars are inadequate. To ensure sufficient security to the Government property like computers, fax machines, telephones and other valuables and belongings of the farmers, security staff must be arranged on contract basis. Constant vigilance on Rythu bazaars is required.

27. Sufficient measures are required to control thefts and pick pocketing in Rythu bazaars. Beggars should be controlled before entrance and inside premises of Rythu bazaar without causing nuisance to consumers and farmers.

9.16 Conclusions

Government has evolved a system and introduced in the form of an organization to establish and maintain the Rythu bazaars. The ultimate success or failure of an activity depends upon the organization structure and its merits. The formation and maintenance of Rythu bazaars is a collective activity of various departments like Horticulture, Marketing, Agriculture and Revenue Departments. Their whole hearted involvement and discharge of duties is very much required in the smooth functioning of these bazaars. Already a decade has passed and these Rythu bazaars have crossed inception barriers and proved as one successful method of vegetable marketing in the channels of distribution. In the slack and scarcity seasons also these Rythu bazaars proved their efficiency and appreciated by the consumers. Hence, the craze and honour of Rythu bazaars are ever increasing.
Rythu bazaars are rendering valuable service to farmers and consumers. They are well received and appreciating by the urban consumers. According to one Government survey, 22 per cent of urban vegetable marketing is in the purview of Rythu bazaars and it is a boon to urban consumers. As most of the Rythu bazaars are centrally located, they are very much convenient and useful to the consumers. All types of vegetables, provisions, rice, oils, etc. which are needed by the consumers are available at one place. Fresh and quality vegetables once a dream to urban people; now become a reality with the inception of Rythu bazaars. These Rythu bazaars are habituating new tastes to urban consumers. Moreover, these are honouring by all income groups of people of the society.

However, there has been some apprehension in the minds of public that the present government is doing its might to destabilize the Rythu bazaars through its various unreasonable actions. The stoppage of R.T.C buses to the rural villages is a part of it. While there are increasing demands for starting of new Rythu bazaars, the district administration is busy with closing of the Rythu bazaars for which there are no valid reasons. Already, the Pedawaltair Rythu bazaar is closed in January 2006. Efforts are under way to close others like the Gopalapatnam Rythu bazaar and shift Visakha model Rythu bazaar. The underlying apparent reason appears to be that the lands allotted for the Rythu bazaars are Government lands and as they are centrally located in the city, the sites/areas selected for these are prime lands valued at crores of rupees and private parties are bringing pressure to take over them or even the administration is thinking in terms of issuing the same for long lease for building multi shopping complex or to building highmax theater, etc. Government should desist from such actions in the interest of public at large and extend all needed help for better maintenance of Rythu bazaars.