

Impact of Alwal Rythu Bazaar on Farmers - An Empirical Study

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Abstract

The study examines the impact of functioning of Alwal Rythu Bazaar on farmers/sellers, their problems and their overall satisfaction levels. The villages from which the farmers bring their produce, their age group, their gender, the mode of transport they use, the problems faced in transportation and selling of produce, stall occupancy are studied.

Keywords: Sellers, produce, mode of transport, stall occupancy.

INTRODUCTION

Rythu Bazaar is a farmer's market in Telangana, India. It is run by the Government of Telangana for all kinds of farmers with various sizes of landholdings. The first Rythu Bazaar was started in January 1999 during the reign of Chandrababu Naidu, then Chief Minister of Andhra Pradesh.

Rythu Bazars were introduced to eliminate the middlemen. In Rythu Bazaars, farmers could sell their produce directly to the consumers at reasonable rates that were fixed by the government representatives every day. This working model benefits both the farmers and the consumers alike.

For establishing Rythu Bazaar, funds were obtained from National Bank for Agriculture and Rural Development (NABARD) through Rural Infrastructure Development Fund (RIDF) and National Cooperative Development Corporation (NCDC).

Presently, in Telangana Rythu Bazaars are functioning in Adilabad, Hyderabad (Falaknuma, Mehdiapatnam, Erragadda), Karimnagar, Khammam, Mahaboobnagar, Medak, Nalgonda, Nizamabad, Rangareddy (Alwal, Kukatpally, Meerpet, Ramakrishnapuram, Saroornagar, Vanasthalipuram) and Warangal.

With this background, a modest attempt is made in the present study to examine the functioning of Alwal Rythu Bazaar, to identify the benefits received by the farmers, the impact of Rythu Bazaar on consumers and also the problems faced by the farmers and the consumers from the perspective of Rythu Bazaar authorities, farmers and consumers.

RESEARCH PROBLEM

The topic of the present study is “Impact of Alwal Rythu Bazaar on Farmers - An Empirical Study”.

It has been observed through various studies that Rythu Bazaar is a place that has eliminated the role of the middlemen and enabled farmers to sell their products directly to consumers. This allowed the farmers to get better prices and the consumers to get fresh produce at very reasonable prices.

Lately, there has been a downtrend and Rythu Bazaars are steadily losing their household consumer base to Weekly Markets that are held in many colonies on different days of the week. Already there was a high percentage of wastage of farmers’ produce and this is getting worse. There is inadequate cold storage facility, which is causing this wastage.

This study makes an attempt to find ways to bring back the household consumer and to minimise the wastage.

OBJECTIVES OF THE STUDY

1. To understand the background of Alwal Rythu Bazaar.
2. To analyse the benefits, satisfaction levels and problems of farmers selling at Alwal Rythu Bazaar.
3. To give suggestions on minimising wastage and infrastructure of Alwal Rythu Bazaar.

METHODOLOGY OF THE STUDY

A structured questionnaire was administered to the famers/sellers at this market. A

sample size of 100 was taken. The questions were aimed at understanding the means of transportation used and problems, know the amenities provided in the market, understand the origin of the produce sold at the market, facilities provided by administrators of the market, price fixing, stall allocation, satisfaction level of farmers with regard to various services provided based on various parameters.

“Schedule” has been used as a data collection technique where questions and statements were made on which opinions were elicited from the Rythu Bazaar farmers and sellers. To analyse the data, frequency table, cross tabulation and Chi square test analysis were used. Pearson Likert rating scale has been used to know the problems faced by the farmers on a scale of 1-5. The period of the study is 2015-2016.

Sources of Data

Apart from review of literature as secondary data to identify specific issues for research for a sample study of this nature, the database has to be primary source. To collect the primary data, field survey was undertaken from 2015 to 2016 and using a structured questionnaire, necessary data was collected from the farmers/sellers.

Period of the Study

As mentioned earlier, the period of study is from 2015-2016.

Scope of the Study

The scope of the study is limited to Alwal Rythu Bazaar. The study covers the farmers operating from Alwal Rythu Bazaar.

Limitations of the Study

The study may be limited due to the following:

1. The farmers interviewed are largely uneducated and this may impact the veracity of their response.
2. The study is limited only to the farmers trading in Alwal Rythu Bazaar.
3. Sample size is small and this may cause variations.
4. The questions have been administered over a large time period and thus the responses may be varied.

REVIEW OF LITERATURE

A study was done by Dastagiri, Kumar and Diana² (2009), “Innovative Models in Horticulture Marketing in India”. The objectives of this study were to know the

different innovative marketing institutions, their functions and mandates in horticulture marketing in India, to trace marketing models, strategies and policy, principles practiced by different marketing institutions in horticulture. The methodologies used for this study were in matrix format. They found various marketing institutions like Rythu Bazaar, ApniMandi, UzhavarSandhai, etc., which help in direct marketing of farmer's produce. They also eliminate middlemen and link producers and consumers directly, reduce price spread and enhance producer's share in consumer's rupee.

A study by Veni³ (2009) titled "Role of Rythu Bazaars in Urbanisation – A case study of Hyderabad". The objective of this study was to examine remunerative prices to the farmers. Another objective was to examine direct interface between farmers and consumers, eliminating intermediaries. For this study, a structured questionnaire was used to collect the data. The study finds that Rythu Bazaar is monitored by the estate officer with the help of his supervisor. Officials weigh the scales to curb malpractices. They also ensure that there are no disputes among farmers and consumers. Rythu Bazaar was promoted to eliminate middlemen.

A study was conducted by Dey, Subhendu⁴ (2012), titled, "Rythu Bazaar: A study of the Supply Chain of the Farmer's Markets of Andhra Pradesh. The objective of the study was to study the operations of Rythu Bazaar and to identify the facilities provided to the farmers for doing business at Rythu Bazaar and to find if they have benefitted from those facilities. The tools and techniques adopted for this study were five-point Likert scale and structured questionnaire. This study finds that there was an increase in income with respect to the farmers operating at Rythu Bazaar. The farmers received higher rates than at the wholesale markets. Farmers benefitted from assured fixed income and immediate cash realisation since operating from Rythu Bazaar. However, he found that the farmers have not had the benefit of storage facilities, but the location of Rythu Bazaar was of benefit.

An article on "Rythu Bazaars – The Alternative Marketing Channel" by Dey, Subhendu⁵ (2013) emphasised on the genesis of Rythu Bazaar, its functioning, challenges and limitations and the way ahead. The article laid stress on providing farmers an alternative channel for selling their produce directly to the consumers by eliminating middlemen and providing a platform for direct interaction between farmers and consumers.

It is widely alleged that traders enter the farmer's market without original identity cards, thereby denying a chance to the real farmers to sell their produce. This article points out that 3 out of 4 vendors in Mehdipatnam are middlemen. These middlemen sell their produce at a price that is higher than the rates fixed by the Rythu Bazaar authorities. This article also brings out the fact that the Rythu Bazaars are in prime

locations of the city and this restricts the future expansion.

Chandak and Leua⁶ (2014) did their study on “Mechanism of Rythu Bazaar and its Impact on Farmers and Consumers”. The objective of their study was to know the mechanism of Rythu Bazaar and the impact of Rythu Bazaars on farmers and consumers. The methodology used for their study was structured questionnaires separately for farmers and consumers. Their study finds that the majority of the farmers visiting the market are small and illiterate and are highly dissatisfied with the cost incurred in getting the produce to Rythu Bazaar. Also, there is dissatisfaction pertaining to the method of space allocation, provision of weighing scale, drinking water, sanitisation services and storage facility. There is also lack of involvement of farmers in price fixation. Findings pertaining to consumers reveals that most of the buyers are males and utilise these bazaars because of convenient location. The study suggests that the stall should be allocated on first-come-first-serve basis and fixation of prices should be on the basis of quality and grades.

To sum up the study of literature, though the intentions of setting up the Rythu Bazaar were very noble, the outcome falls far short of expectations of both the farmers and the consumers. However, though the Rythu Bazaars are riddled with a lot of problems, these can be easily surmounted by active participation of the government. Acting up on the farmers’ suggestions is vital for Rythu Bazaar as obviously Rythu Bazaars are set up for the welfare of the farmers. Government can step in and set up economic storage facilities and thus solve the seemingly eternal problem of storage facilities. Especially in states like Telangana where a huge volume of fruits and vegetables are produced, it is imperative to lay emphasis on preservation of the freshness of fruits and vegetables.

FINDINGS OF THE STUDY

1. Background of Sellers at Alwal Rythu Bazaar

There are around 300 farmers and 30 self-help groups in this market. These farmers bring their produce from about 30 villages such as Adraspalle, Aliabad, Anantaram, Antaipalle, Bomraspet, Jaggamguda, Jagdeopur, Keshavpur, Kothur, Kowkoor, Mulugu, Medchal, Lakshimapur, Majidpur, Mandaipalle, Nagisettipalle, Narayanpur, Ontimamidi, Ponnal, Pothaipalle, Potharam, Shamirpet, Thumkunta, Turkapally, Uddemarri, etc. The self-help groups bring their commodities from Bowenpally Market Yard and Begum Bazaar wholesale market. Data analysis has been done based on the information provided by the above sellers.

2. Demographics of Sellers at Alwal Rythu Bazaar

Following is the demographic overview on the sellers at this market

Table 1. Age Group of the Respondents

S. No	Age Group of the farmers	Frequency	Percent
1	16-25	10	10.0
2	26-35	7	7.0
3	36-50	40	40.0
4	51 and above	43	43.0
Total		100	100.0

The above table 1 shows that most of the respondents are in the 51 and above age group. The next highest number of respondents are in the 36-50 age group. This shows that there are very less number of youth among the sellers in this market.

Table 2. Gender of the Respondents

S. No.	Gender	Frequency	Percent
1	Male	10	10.0
2	Female	90	90.0
Total		100	100.0

The above table 2 shows that most of the respondents are females. This is because the male farmers work in their fields, leaving the selling job to the female members of the family. Also, there are sellers from self-help groups who are exclusively women.

3. Overview of Alwal Rythu Bazaar Sellers

The overview gives an analysis on the number of years the sellers have been selling at this market, types of sellers (farmers/self-help groups), the types of produce sold throughout the year, mode of transportation used by the sellers to bring from the farm

to the road and then to the stall, problems faced in bringing the produce, problems faced in selling the produce, permanency in stall occupation, their suggestions in minimising wastage as well as their suggestions for improvement of Alwal Rythu Bazaar.

Table 3. Number of Years Selling in Rythu Bazaar

S. No.	Range of the years	Frequency	Percent
1	Less than 5 years	15	15.0
2	5-10 years	25	25.0
3	11-15 years	20	20.0
4	16-18 years	40	40.0
Total		100	100

The above table 3 suggests that most of the sellers have been selling in this market since its inception. Forty percent of the respondents are selling since 16-18 years.

Table 4. Type of Seller

S. No.	Type of seller	Frequency	Percent
1	Farmer and Seller	80	80
2	Seller(self-help group)	20	20
Total		100	100

Table 4 shows that 80% of the respondents are farmers who sell their produce. The remaining belong to the self-help groups.

Table 5. Type of Produce Sold Throughout the Year

S. No.	Types of Vegetables and Fruits	Frequency	Percent
1	Leafy Vegetables	5	5.0
2	Podded Vegetables	9	9.0
3	Bulb and stem vegetables	10	10.0
4	Root Vegetables	15	15.0
5	Seasonal Fruits	15	15.0
6	45	7	7.0
7	123	6	6.0
8	134	1	1.0
9	234	11	11.0
10	345	7	7.0
11	1234	7	7.0
12	2345	3	3.0
13	12345	4	4.0
Total		100	100.0

The above table 5 depicts that root vegetables and seasonal fruits are the commodities that are sold the highest. The survey suggests that leafy vegetables are the least sold commodity.

Table 6. Mode of Transport

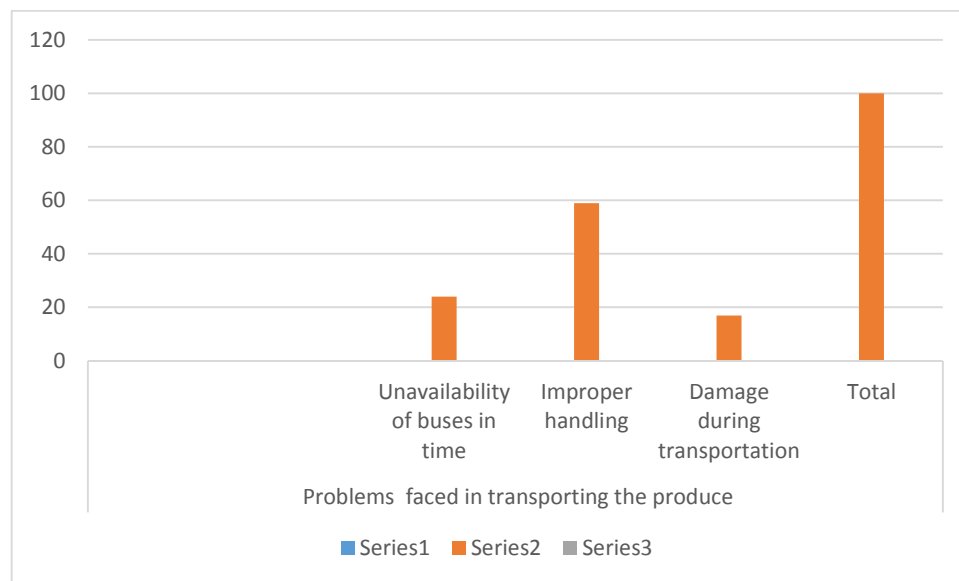
S. No.	Type of transport	Frequency	Percent
1	State Transport Bus	39	39.0
2	Truck	5	5.0
3	Auto Trolleys	56	56.0
Total		100	100.0

Table 6 portrays that auto trolleys are the most used mode of transport to bring the sellers' produce from the farm till the stall with more than 50% of the respondents using this mode.

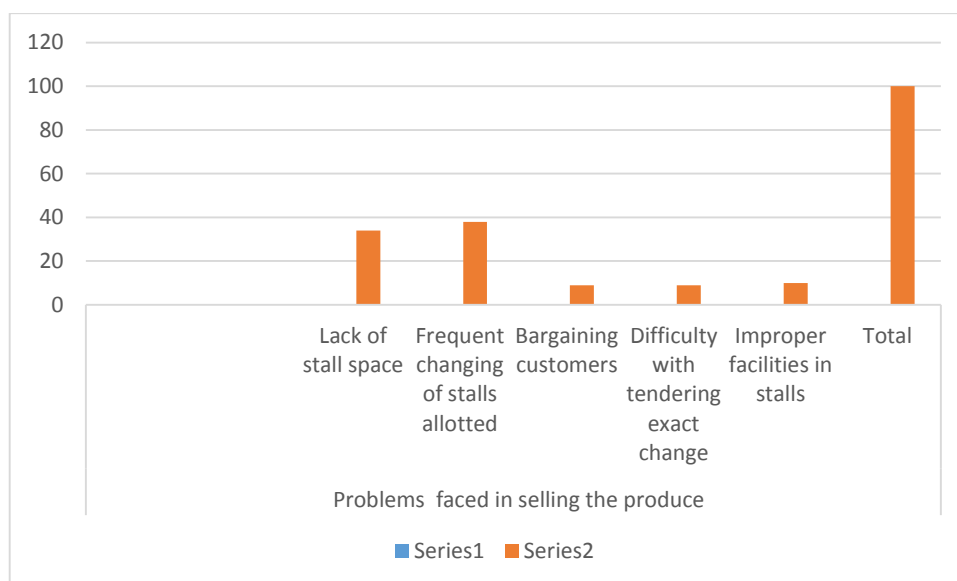
Table 7. Mode of Transport to Bring Produce from Main Road to Stall

S. No.	Location	Frequency	Percent
1	Cycle rickshaw	44	44.0
2	Auto trolleys	56	56.0
3	Total	100	100.0

Table 7 projects that auto trolleys are the most used mode of transport to bring the sellers' produce from the main road till the stall with more than 50% of the respondents using this mode because of its convenience. Cycle rickshaws are used by sellers who bring their produce in buses and trucks.

Chart 1. Problems faced in Transporting the Produce

From the above chart 1 titled problems faced by farmers in transporting the produce, it is clear that improper handling causes most damage to the produce (59%). The next problem faced is unavailability of buses in time (24%). Damage during transportation is the least severe problem (17%).

Chart 2. Problems faced in Selling the Produce

The above chart 2 shows the problems faced by farmers in selling their produce. At Rythu Bazaar, the stalls are allotted on the first-come-first-serve basis which causes frequent changing of stalls (38%). This prevents the customer from developing a familiarity with the seller. As stalls are not allotted permanently to sellers, sometimes they end up getting stalls that are having less space.

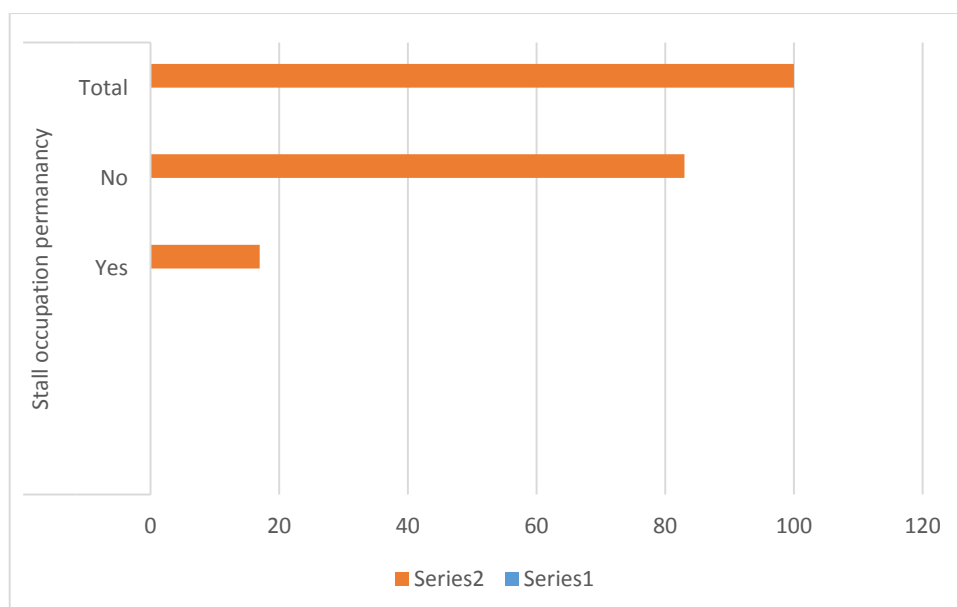
Chart 3. Stall Occupation Permanency

Chart 3 shows that the farmers cannot have permanent stalls because of the policy of Rythu Bazaar not to allot permanent stalls to farmers selling at Rythu Bazaar (83%).

The remaining 17% belong to the self-help groups who pay rent monthly.

Chart 4. Suggestions to Minimise Wastage

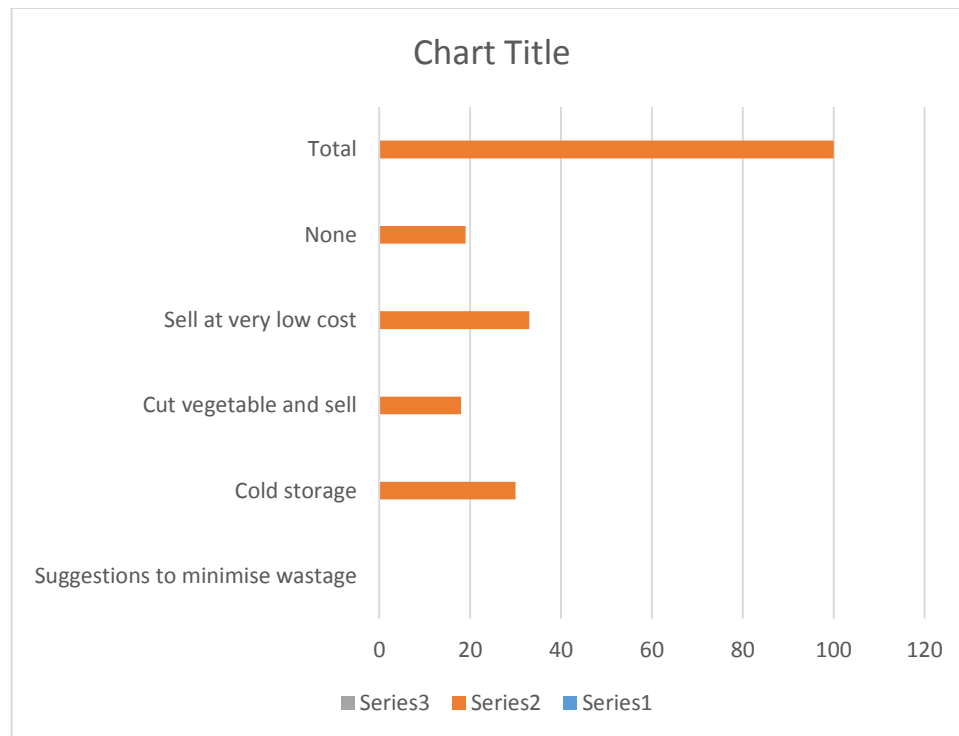
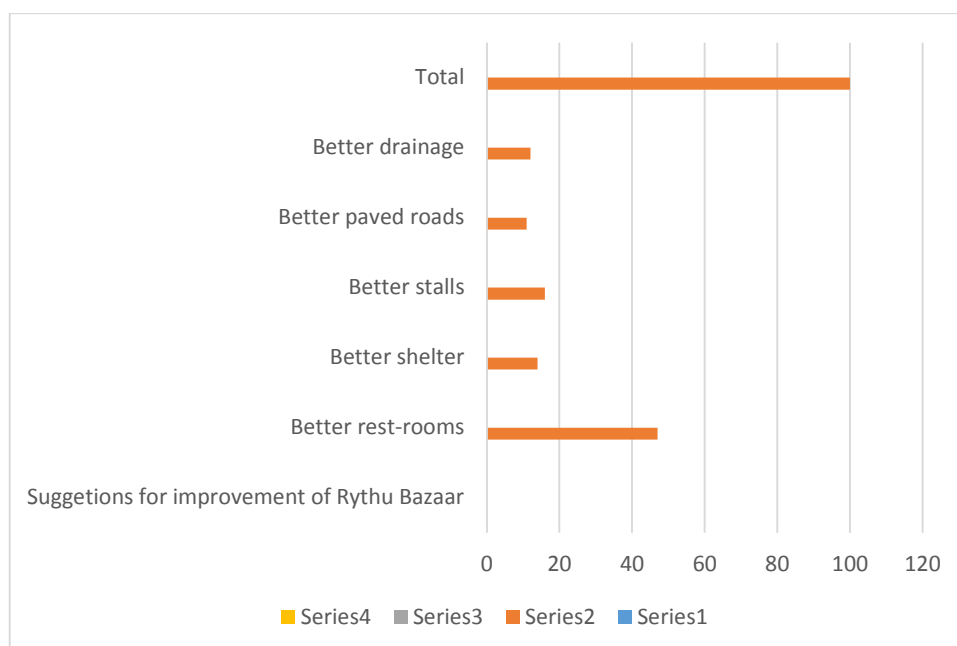


Chart 4 depicts that farmers feel that selling at very low cost during evening time is the best way to minimised wastage (33%). Thirty percent of farmers feel that having good cold storage facilities would minimise wastage. Of the rest, 19% feel that cutting the vegetables and selling would minimise wastage. The remaining 19% do not have any suggestions.

Chart 5. Suggestions for Improvement of Alwal Rythu Bazaar

The chart 5 represents suggestions for improvement of Alwayl Rythu Bazaar by the sellers. Top on the list of suggestions is to have better rest-rooms (47%). A good percentage of the farmers selling at Rythu Bazaar are females and their overwhelming desire was for a hygienic rest-room. The next most prominent suggestion was better stalls (16%) as there was hardly any space for grading and sorting. Because of this lack of space, farmers are unable to separate the rotten vegetables from the fresh ones and this is causing a lot of wastage. The third highest suggestions were for better shelter (14%) as farmers are not protected from the elements. Farmers also wanted better drainage (12%) as there is water logging during rains and better paved roads (11%) as there is slush in the market due to wet conditions.

HYPOTHESES OF THE STUDY

The following hypotheses have been formulated with reference to the satisfaction levels of farmers selling at Alwal Rythu Bazaar.

Hypothesis 1

HO : There is no difference in satisfaction level about the overall operating system at Alwal Rythu Bazaar irrespective of age groups.

H1 : There is a difference in the satisfaction level about the overall operating system at Alwal Rythu Bazaar in various age groups.

Table 8. Satisfaction Level towards Overall Operating System

			Overall operating system			Total
			satisfied	satisfied not dissatisfied	dissatisfied	
Age group:	16-25	Count	1	7	2	10
		% within 2. Age group:	10.0%	70.0%	20.0%	100.0%
	26-35	Count	1	4	2	7
		% within 2. Age group:	14.3%	57.1%	28.6%	100.0%
	36-50	Count	3	23	14	40
		% within 2. Age group:	7.5%	57.5%	35.0%	100.0%
	51 and above	Count	3	23	17	43
		% within 2. Age group:	7.0%	53.5%	39.5%	100.0%
Total		Count	8	57	35	100
		% within 2. Age group:	8.0%	57.0%	35.0%	100.0%
Chi-square Test – 1.834a			df – 6		Asymp. Sig. - .934	
Result – HO – Accepted, H1 - Rejected						

(Source: Fieldwork)

The Chi-square test results relating to the overall operating system at Alwal Rythu Bazaar shows that the asymptotic significance is very far from 0. This suggests that there is no difference in satisfaction level about the overall operating system at Alwal Rythu Bazaar irrespective of age groups. Thus, HO (null hypothesis) is accepted and

H1 (alternative hypothesis) is rejected. This means that there is no difference in satisfaction level about the overall operating system at Alwal Rythu Bazaar irrespective of age groups of farmers selling at this market.

Hypothesis 2

HO : There is no difference in satisfaction level about the storage facilities at Alwal Rythu Bazaar irrespective of age groups.

H1 : There is a difference in satisfaction level about the storage facilities at Alwal Rythu Bazaar across various age groups.

Table 9. Satisfaction Level towards Storage Facilities

			Storage facilities		Total
			dissatisfied	very dissatisfied	
Age group:	16-25	Count	5	5	10
		% within 2. Age group:	50.0%	50.0%	100.0%
	26-35	Count	3	4	7
		% within 2. Age group:	42.9%	57.1%	100.0%
	36-50	Count	19	21	40
		% within 2. Age group:	47.5%	52.5%	100.0%
	51 and above	Count	18	25	43
		% within 2. Age group:	41.9%	58.1%	100.0%
Total		Count	45	55	100
		% within 2. Age group:	45.0%	55.0%	100.0%
Chi-square Test – 0.386a			df – 3		Asymp. Sig. - .943
Result – HO – Accepted, H1 - Rejected					

The Chi-square results show that the asymptotic significance is far from 0. This

suggests that there is no difference in satisfaction level about the storage facilities at Alwal Rythu Bazaar irrespective of age groups. Thus, HO (null hypothesis) is accepted and H1 (alternative hypothesis) is rejected.

Hypothesis 3

HO : There is no difference in satisfaction level about the cleanliness at Alwal Rythu Bazaar irrespective of age groups.

H1 : There is a difference in satisfaction level about the cleanliness at Alwal Rythu Bazaar across various age groups.

Table 10. Satisfaction Level towards Cleanliness at Alwal Rythu Bazaar

			Cleanliness		Total
			dissatisfied	very dissatisfied	
Age group:	16-25	Count	5	5	10
		% within 2. Age group:	50.0%	50.0%	100.0%
	26-35	Count	3	4	7
		% within 2. Age group:	42.9%	57.1%	100.0%
	36-50	Count	19	21	40
		% within 2. Age group:	47.5%	52.5%	100.0%
	51 and above	Count	18	25	43
		% within 2. Age group:	41.9%	58.1%	100.0%
Total		Count	45	55	100
		% within 2. Age group:	45.0%	55.0%	100.0%
Chi-square Test – 0.386a			df – 3		Asymp. Sig. - .943
Result – HO – Accepted, H1 - Rejected					

From the above table 10, it can be noted that asymptotic significance is far from 0. This suggests that irrespective of the age group, their satisfaction level remains same,

pertaining to the cleanliness at Alwal Rythu Bazaar. Thus, null hypothesis is accepted and alternate hypothesis is rejected.

CONCLUDING OBSERVATION

In this chapter, the impact of Alwal Rythu Bazaar on farmers has been analysed. Frequency table, cross tabulation and Chi-square test have been used to study the effect of Rythu Bazaar on farmers, their satisfaction levels and the problems faced by them. The period of the study has been from 2015-2016. From the sample size of the farmers selected for the study, the main findings are summarised below:

1. Ninety percent of the farmers selling in Rythu Bazaar are women.
2. Forty percent of them are selling here since 16-18 years.
3. Among the sellers, eighty percent of them are farmers and 20% of them are self-help groups.
4. Farmers get their produce from 30 villages.
5. Fifty six percent of farmers use auto trolleys to bring their produce to this market. Auto trolleys and cycle rickshaws are used to bring the produce from the main road to the stall.
6. Fifty nine percent of farmers responded that improper handling is the main problem during transportation.
7. The major problem faced by farmers in selling their produce is frequent changing of stalls as well as lack of space for grading and sorting.
8. Farmers are dissatisfied with the market authorities because of poor power supply, unreasonable price fixing, improper restroom facility, and unscientific storage facility.
9. Farmers get their stalls free, however, they do not get permanent stalls because of government norms. However, self-help groups get permanent stalls and they pay rent for the space allocated.
10. Eighty percent of the farmer allow the consumers to pick and choose the produce.
11. Less than half of the farmers are satisfied with the price fixing at the market.
12. Farmers know about the rates at which to sell their produce after the rates are written on the rate boards by the administrative staff.
13. All the unsold produce is left in the open at the end of the day.

14. Farmers suggested that selling the produce in the evening hours at very low rates and having good and sufficient cold storage would minimise the wastage.
15. There is no interference from mediators when farmers are selling their produce.
16. Due to the ingenious methods such as adopting the token system for purchases, there was very less impact of the note ban which was implemented on November 8, 2016.
17. There is no training provided to the farmers in terms of new techniques in farming, nurseery development, vermicomposting, biofertilizer preparation, organic farming and integrated pest management.
18. Except during inspections, ID cards of farmers are not checked.
19. The improvements to Rythu Bazaar suggested by farmers are better restrooms (47%), better stalls (16%), better shelter (14%), better drainage (12%), better paved roads (11%).
20. There is no difference in satisfaction level about the overall operating system at Alwal Rythu Bazaar irrespective of age groups.
21. There is no difference in satisfaction level about the storage facilities at Alwal Rythu Bazaar irrespective of age groups.
22. There is no difference in satisfaction level about the cleanliness at Alwal Rythu Bazaar irrespective of age groups.

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