

“A PRACTICAL AND VIABLE MODEL FOR ESTABLISHING A UNIQUE FAIR FARMER’S MARKET - WITH SPECIAL REFERENCE TO NAGAPATTINAM, TAMIL NADU”

G. Joy Samuel Dhanraj¹

¹Assistant Professor, Department of Business Administration, Loyola College, Chennai - 34.
E-mail: ¹professorjoysamuel@loyolacollege.edu

ABSTRACT:

The purpose of this research paper is to innovate a practical and viable model for establishing a unique fair farmer’s market using inclusive approach with special reference to Nagapattinam, Tamil Nadu. Agriculture, always been forethought as the backbone of the Indian economy. The various reasons made agricultural sector a setback after the green revolution. The size of cultivable land has come down drastically over the years. Farmers’ income directly related on income generated from agricultural output. The farmers often neglected in fixing the price and instead the resellers and agents determine the price of the agricultural output. These third parties make profit out of the loss forced upon poor farmers by manipulating the market conditions. When this threatens the daily livelihoods of the farmers, they search for better sources of income other than agriculture. This leads to transfer of land for their livelihood, which makes the agricultural labour force out of employment. The unique model of farmers’ market with direct farmer-consumer sales can create more surpluses for small and poor farmers.

Fair price mechanism has to be imparted in the agricultural with utmost care. The factors like fair price, market place, quality, quantity, weighing, facility to store and transport goods, etc. have to be addressed. If these problems are addressed, then we can be positive that major hurdles in the betterment for the farmers will be removed. In particular, the price should be a profitable one for the farmers and should make some difference in their livelihood and give enough impetus to them and their next generation to take up and continue farming as their livelihood. This type of upholding fair marketing system can be drawn from examples of weekly farmers’ Sandhais (markets) that were prevalent all around rural Tamil Nadu. This research paper has analyzed the various factors and evolved a practical and viable model for establishing a unique fair farmer’s market using contract farming techniques, which creates strong relationship between contract farming and country’s economic growth with farmer’s standards of living.

Keywords: Unique fair farmer’s market, Weekly markets (Sandhais), Contract farming.

INTRODUCTION:

Agriculture sector contributes 15.87% to GDP by 2018-2019 in the growth of economy of our country, since late 19th century and early 20th century agriculture was the backbone of our economy. India is primarily an agricultural country. The growth of the Indian economy is dependent on the agricultural outcome. Agriculture contributes one of the major share of the national income of our country. In India, agriculture provides major food requirements of the

country. It also provides supplementary to dependent livestock, Which supports directly or indirectly to growth of Agriculture.

In agriculture, marketing plays vital role in fixing the value of the product for Price, Quality and Quantity and deliver them to the end users. Majority of the farmers sell their produce through various channels such as village level markets, fairs, Mandies, Co-operative Societies and street seller. In the present marketing system, middlemen enjoys maximum profit (Benefits) rather than farmers and consumers. In 1999, the state of Tamil Nadu reframed the system of marketing by majorly to remove middlemen, introduced the concept of Uzhavar Santhai. Uzhavar Sandhai had its birth from the model of Kal Ghoj in Russia. This model is replicated by initiating Apna Mandis in Punjab and Haryana in early 1987.

The Usual practice of reseller is to purchase the Agricultural products from the farmers at a lower price and charge the commission from the farmers for the same. The reseller, purchases fresh vegetables and fruits at the lower price from the farmers are sold out to retail businessmen at higher price and the retail businessmen sell those Agricultural Products further at high margin profit to the consumers. Eventually, the farmers get only the least price for their produce whereas the consumers have to pay higher price for the farmers produce.

The uzhavar santhai has a potential to rephrase the agricultural sector into a dominant contributory sector to our economy. The performance of these uzhavar santhai in most of the district in not satisfactory due the reasons such as lack of infrastructure facilities like number of shops, drinking water, canteen facility, open space, storage facilities and lavatory provisions. Problems with executing judiciary like identity cards, low price, close supervision, price fixation and demanding vegetable for free of cost. Communication problems like lack of clarity and visibility of prices, improper communications and telephone facility. Transport problems like bus stop, no bus facility, rare bus service, irregular transport service and overcharge by private vehicle operation. Problems from vendors like supply of vegetables at the door step, credit facility, English vegetables, small quantities of vegetables and maintaining social relationship. Labour problems like labour on time, more wages, executing field work, migration of labour.etc..

OBJECTIVES:

1. To identify the existing problems in the current farmer's market.
2. To compare and contrast with the models existing in developed countries.
3. To develop a unique model of fair farmer's market.

LIMITATIONS:

The limitations of the study include:

The area of the study is restricted to Nagapattinam district, Tamil Nadu only.

The researcher's study is influenced by the response of the farmers taking into account the particular season.

LITERATURE REVIEW:

Mundar Ram (1999) in his article entitled ‘Agricultural Marketing Issues and Challenges’ has analysed that direct marketing by farmers to consumers in urban areas increased their share in the consumer’s rupee. It was stated that reducing marketing channel, eliminated the middlemen and bringing the producer–seller in direct contact with the consumers. It was also added that experiences of direct marketing in the Punjab, Maharashtra, Rajasthan and other states have made the direct market very successful. It was suggested that by considering their useful role, direct marketing plays in the interest of both producers and consumers, it should be promoted in all the states and the union territories.

Rajendran and Karthikeyan (2014) has studied about agricultural marketing in India. They listed out the necessary reforms blended with proper price discovery mechanism through regulated market system may help streamline and strengthen agricultural marketing. It was added that to avoid isolation of small-scale farmers from the benefits of agricultural produce they need to be integrated and informed with the market knowledge like fluctuations, demand and supply concepts which were the major contributory of economy. Marketing of agriculture will be made effective if it was forward from the collective and integrative efforts from various dimensions by addressing to farmers, middlemen, researchers and administrators. It will be high time we bring out significant policies in agricultural marketing with innovative and creative approaches to bring fruits of labor to the farmers.

METHODOLOGY:

The present study involves the primary and secondary information. The responses to structured questionnaire will be collated with the help of SPSS package. The study is based on the data collected from Nagapattinam district in Tamilnadu. The sampling technique followed in this study is probability sampling. Simple random techniques are used to select the respondent from the available database. Accordingly the researcher has selected 50 farmers in the study area. The data collected was analyzed using descriptive statistics.

Profile of the study Area:

Nagapattinam District was Bifurcated from Thanjavur District on October 18, 1991. Subsequently it was further bifurcated in **1997** as Nagapattinam and Tiruvarur Districts. It is a one of the small districts with a total geographical area of **2715.83 Sq. Kms. Which** constitutes only 2.09 % of the area of the State.

Farm Holding Pattern of the study Area:

S.No	Type	Number of Farmers	Area (Ha)
1	Small Marginal Farmers	1,25,349	54,603
2	Other Farmers	47,651	94,935
3	Total	1,73,000	1,49,538
4	Agricultural Labourers	3,13,174	

Source: Report of Nagapattinam district profile, 2017-2018

Details of Uzhavar Santhai in Nagapattinam:

S. No	District Name	Uzhavar Santhai	No Of Shops	Veg Arrival (Kgs)	Value (Rs.)	No. Farmer	No. Consumers
1	Nagapattinam	Nagapattinam	50	3502	81874	11	621
2	Nagapattinam	Mayiladuthurai	52	3790	126725	12	631
3	Nagapattinam	Sirkali	30	7860	193195	16	1470

Source: Report of Commissionerate of Agricultural Marketing & Agri Business, 2017

PROBLEMS IN EXISITING FRAMEWORK:**INFRASTRUCTURE PROVIDED IN UZLAVAR SANTHAI:**

Factors	Mean Score	Rank
Numbers of shops	62.58	I
Drinking water	57.87	II
Canteen facility	53.41	III
Sale of vegetables in open space	49.98	IV
Storage facilities	43.42	V
Lavatory provision and Maintenance	38.09	VI

Source: Primary Data

PROBLEMS WITH EXECUTING JUDISORY:

Factors	Mean Score	Rank
Identity cards	67.54	I
Low price	62.32	II
Close supervision	61.56	III
Price fixation	40.98	IV
Demanding vegetables free of cost	32.54	V

Source: Primary Data

COMMUNICATION PROBLEMS

Factors	Mean Score	Rank
Lack of clarity and visibility of prices	61.23	I
Improper communications	49.67	II
Telephone facility	28.63	III

Source: Primary Data

TRANSPORT PROBLEMS

Factors	Mean Score	Rank
Bus stop	65.89	I
No bus facility	61.40	II
Rare bus service	59.62	III
Irregular transport service	31.76	IV
Exorbitant charges levied by private vehicle operation	29.93	V

Source: Primary Data

PROBLEMS FROM VENDORS

Factors	Mean Score	Rank
Supply of vegetables at the door step	65.31	I

Credit facility	64.79	II
English vegetables	59.21	III
Small quantities of vegetables	42.65	IV
Maintaining social relationship	30.39	V

Source: Primary Data

LABOUR PROBLEMS

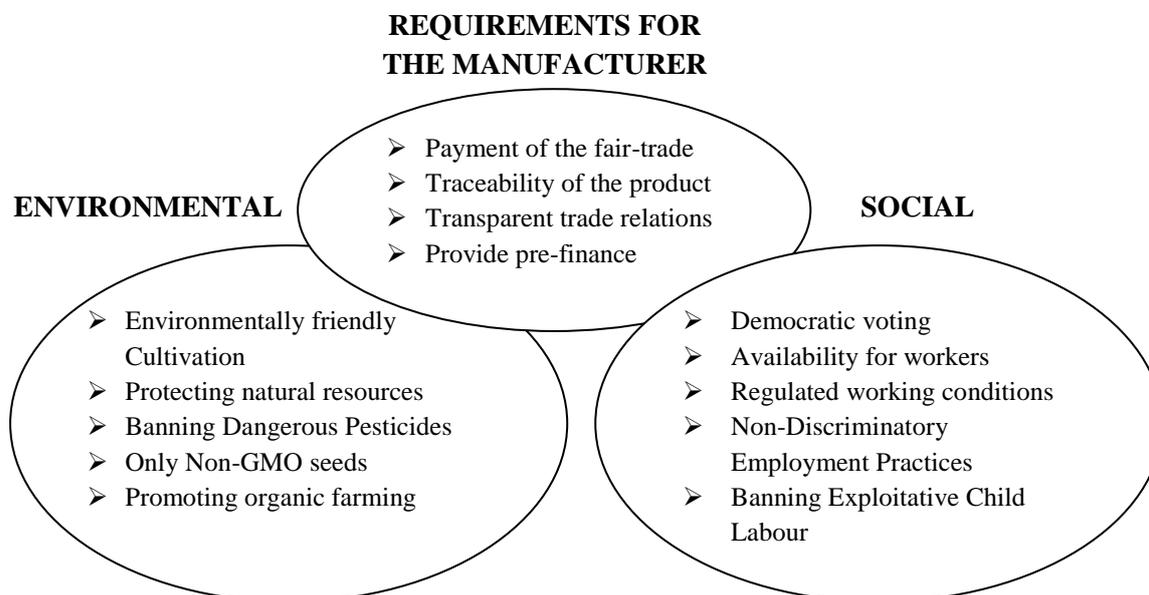
Factors	Mean Score	Rank
Labour on time	66.42	I
More wages	61.67	II
Executing field work	60.12	III
Migration of labour to urban areas	31.27	IV
Migration of labour	30.61	V

Source: Primary Data

MODELS IN DEVELOPED COUNTRIES:

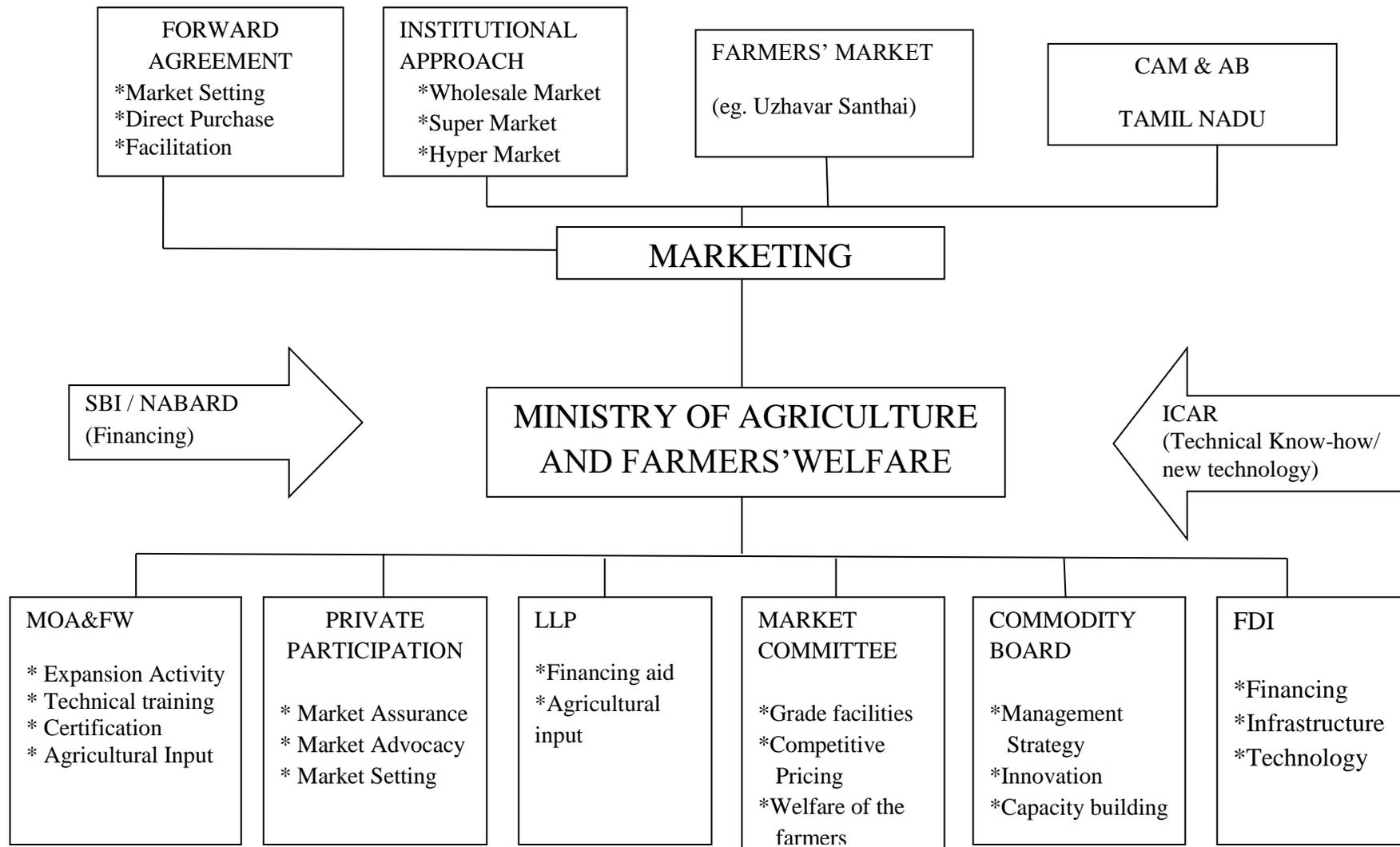
USA:

FMPP (farmers market promotion program), provides resources to support their outreach and promotional activities that helped direct producer-to- consumer markets and to become self-sustained and It can be repeated in communities across their country. These investments bring their people together, support strong local and regional food systems, and increase access to healthy foods.



Source: Farmers Market Promotion Program, United States Development of Agriculture.

Uzhavar Santhai through Contract Farming Model:



Source: Primary data - A practical and viable model for establishing a unique fair farmer's market using contract farming as Inclusive Approach

MAJOR PARTICIPANTS IN CONTRACT FARMING:

The Ministry of Agriculture and Farmers' Welfare in proposed Model Contract Farming Act 2018, Farmers and agriculture based industries has been linked for the first time by Government of India. They provide expansion activity, Technical training to farmers, provide genuineness certificate for seeds, provide agricultural inputs and so on. This will create the Farmers to fetch better price for agriculture commodities and post harvest losses will be minimized due to this act. This act will create avenues for new employment in rural areas.

In TamilNadu, Commissionerate of Agricultural Marketing & Agri-Business plays a vital role in expanding market operations and ensures remunerative price to farmers. They fix-up the daily trading price for the commodities dealt in the farmers' market. Agricultural Marketing and Agri-Business is the key driver of the Agriculture sector, due to new market realities posed by the increasing accent on globalization, liberalization and privatization of the economy. This Department is functioning with an objective of maximizing the benefits from the available resources for production and to expand marketing operations to increase income of the farmers.

After strong support for foreign direct Investment in retail sector, the institutional approach can be helpful in understanding why there are specialized middlemen in the agricultural industry. It is possible to imagine an agricultural system without middlemen. Thus government agencies will market the products through several channels such as in wholesale markets, super/Hyper markets, retailers, agro-based entrepreneurs and exports. They also provide farm infrastructure, Market consultancy, information, advisory and development process.

Contract farmers are encouraged to participate in Good farming Practice to create win-win situation for both participants by ensuring production quality to meet the market demand.

There shall three methods of contract to ensure sustainable quality

1. Purchase contract based on agreed percentage between both parties.
2. MOA & FW or State Agency can buy 50% of farmer's production while the remaining 50% will be sold by farmers themselves (alternative selection on kharif crop or Rabi crop).
3. Providing financial Assistance in terms of advance and will be deducted from the product sold to government agencies.

In addition, Commodity boards and market committee provides attention to all matters related to agricultural input aid, infrastructure facilities, financial assistance and training to the farmers.

Apart from that the research and development process of contract farming shall be carried out by Indian Council of Agricultural Research (ICAR). Their primary objective would be transfer of technologies and commercialisation to improve agricultural productivity and food quality to create viable agri business. They required to liason cultivatable seeds by the farmers.

In case of implementation , the initially government should target existing farmers registered under e-Nam either individually or Group based on region. The government also should target commercial producer and participants, who either directly or indirectly involves in government projects.

CONCLUSION:

Contract farming shall be successful in increasing the production level and enhanced the farmers' income. The government shall demonstrate a strong commitment to support the program by giving special attention. This may create major contribution to the national economy, in turn making the country as one of the leaders in exporters in agricultural products.

REFERENCES:

1. **Baumann, P., 2000.** *“Equity and efficiency in contract farming schemes: The experience of agricultural tree crops.”* Working Paper 139, ODI, London, UK. Bernama, 2009. *Felcra to expand contract farming programme.*
2. **Ghee, L. T. and Dorall, R., 1992.** *“Contract Farming in Malaysia: With Special Reference to FELDA Land Schemes”.* In Glover, D. and Lim, T. G. (Eds.), *Contract Farming in Southeast Asia: The Three Country Case Studies*, Institute for Advanced Studies, University of Malays, Kuala Lumpur. pp. 71- 119.
3. **Abraham, L. T., Ganesan, P., & Sujatha, S. (2014).** *“Agricultural content dissemination: a study among farmers in Kottayam district of Kerala. India, Bangalore”* Dharmaram publications.
4. **Alila, P. O., & Atieno, R. (2006).** *“Agricultural policy in Kenya’: Issues and processes”.* In Future Agricultures Consortium workshop, Institute of Development Studies, 20-22 March 2006 (pp. 1-39). Kenya.
5. **Balaguru, T., (2015).** *“National Agricultural Research System in India”-* AIASA. AJASA, pp.4—7.
6. **Hill, M. (2009).** *“Using farmer’s information seeking behaviour to inform the design of extension”.* Extension Farming Systems Journal, 5(2), 121-126.
7. National Informatics Centre. (n.d.-a). *Nagapattinam District of Tamil Nadu - An official website.*
8. **Mundar Ram(1999),** *‘Agricultural Marketing Issues and Challenges’* Journal of Agricultural Extension, 17(2), 113-121.
9. **Rajendran and Karthikeyan (2014),** *“agricultural marketing in India: A Study on progress, performance, and determinants”.* Journal of Emerging Knowledge on Emerging Markets, 1(1), 1-31.

10. **Murali, Kallummal** and Sakthi, Srinivasan K. (2007). *Meeting local vegetables and fruits the dynamics of farmers market : A case Analysis of "Uzhavar Sandhai" of Tamil Nadu* – New concept information systems Pvt.Ltd Publications, New Delhi.
11. **S. Saravanan(2013)** "*An Study on production and Marketing Constrain of Farmers in Coimbatore District- Tamil Nadu*",Journal of Arts Science and Commerce: Vol 4 No 1,Jan20163;PP;67-77.
12. **Jyothi KC(2014)** "*Agricultural Marketing and Sustainable Development*", IOSR Journal of Economics and Finance: vol4 2, Jun2014; PP01-08.