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Shetkari Bazar: An Alternative to the Problems of Unorganized Vegetable Market System in Latur City

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Abstract :

In India, Rythu Bazaar (Farmers' Market) concept was introduced in the state of Andhra Pradesh. This marketing system has given good results, with regard to prices of vegetables, benefits to the farmers and customers. At present approved auction method is used in Latur city for selling vegetables in organized market. However, the farmers are selling their vegetables directly to the customers on the streets in Latur city. This type of marketing is done without any permission from the local authority and faces many problems such as, lack of space, unhygienic market conditions, lack of storage facilities, electricity, parking facility, etc. To overcome these problems, a market survey was conducted with the help of questionnaire. The result of the study is presented in this paper and the researchers put forward certain suggestions to our overcome those problems by way of establishing 'Shetkari Bazar' on the lines of 'Rythu Bazar'.

Keywords : Rythu Bazar, Shetkari Bazar, Vegetable Market, Middlemen, Farmers, exploitation.

1. Introduction :

In January 1999, Andhra Pradesh Government headed by Mr. Chandrababu Naidu started the 'Rythu Bazaar'. Rythu Bazaar means the Farmers' Market. This is one of the direct marketing systems. In this market small scale farmers can sell their vegetables directly to the consumers. This marketing system eliminates middlemen. Before establishment of this market system, the middlemen were exploiting both farmers and consumers. To overcome this problem, Andhra Pradesh Government introduced this new marketing system for the small scale farmers with small holdings.

Under this system, the vegetables cultivated by the farmers are sold directly to the customers. This system resulted in the farmers getting a better price for their products. It also helps in the reduction of prices of other vegetable markets, where the middlemen work. This is most beneficial system for the farmers and the

end users. This type of market attracts more customers as well as farmers as the benefits of reasonable price, fresh vegetables and elimination of middlemen. It is a win-win for farmers as well as customers.

At present, in Latur City, four vegetable markets based on 'Rythu Bazaar' are running in different parts of the city viz., Rajiv Gandhi Chowk, Dayanand Gate, Ambajogai Road and Barshi Road. For the establishment of these markets, the permission from the local authority was not obtained by the sellers; hence these markets are unauthorized. In Maharashtra, for selling of vegetables in rural areas weekly markets are established. In the cities like Latur, Market Committees are established by the Government for vegetable market. Under this system the vegetables are sold on auction basis to the middlemen. These middlemen supply the vegetables to the vendors and then they sell to the customers.

2. Review of Literature :

Trobe (2001) studied on 'Rythu Bazaar' and concluded that, the benefits have been increased by both farmers and consumers. Consumers get locally grown fresh vegetables at affordable prices. The farmers get more value for their product. Savitha B. (2003) found that, farmers were satisfied with the facilities provided to farmers'. Saibaba and Vadde (2009) observed that, majority of consumers felt the location of 'Rythu Bazaar' was not conducive and the behavior of sellers of 'Rythu Bazaars' has been impolite, parking facility and other amenities at the Rythu Bazaar were also not satisfactory. Subhendu Dey (2012) concluded that, farmers have benefited on account of increase in the earnings, assurance of fixed income, immediate fund realization, higher rate for their products and location of market yards. This market also faces the problem of storage facility.

3. Problem Statement :

Basically the 'agriculture' is the subject of the State. In Andhra Pradesh, the vegetable market being organized on the basis of 'Rythu Bazaar'. In this type of market, the vegetables are available at low prices for the customers and the farmers also get reasonable price for their products. If both sellers and customers are getting profit, then this type of market can be established in Maharashtra State for the benefit of farmers and the end users. But studies related to 'Rythu Bazaar' show that, this type of market is also facing some problems in Andhra Pradesh viz., Location of market, Parking facility, Cleaning, Sanitation, etc. Hence, the researcher would like to suggest some solutions for solving the problems of current unorganized vegetable market in Latur city. The researcher further, would like to suggest an alternative method of 'Rythu Bazaar', so that the limitations of 'Rythu Bazaar' system can be eliminated.

4. Objectives of the Study :

1. To study the present scenario of the vegetable market in Latur City.
2. To study the limitations and benefits of 'Rythu Bazaar'.
3. To make some suggestions for establishing formal vegetable market system on the basis of 'Rythu Bazaar'.

4. To suggest some measures for overcoming the problems of 'Rythu Bazaar' like vegetable marketing system.

5. Hypothesis :

H1. Both sellers and customers are satisfied with the present unorganized vegetable marketing system.

H2. The sellers and buyers of vegetable markets are ready to adopt a new organized marketing system.

6. Research Methodology:

The data is collected from 54 sellers and 126 customers through structured questionnaire. The sellers were selected on random basis, where as customers are selected on convenient basis, who were present in the market place at the time of data collection. The collected data has been presented in tabulated format. The data was analyzed with the help of statistical tools and the validity of the hypothesis was tested by using the 'Chi-square Test'.

7. Collection of Data :

The study is based on primary data and secondary data was used only for reference purpose. Primary data was collected by using a separate questionnaire for farmers (sellers) and customers (buyers). The researcher collected the data by personally meeting the respondents by visiting the various local markets in Latur city.

8. Scope and Limitations of the Study :

Present study deals with the unorganized vegetable markets in Latur city. In Latur city, there are two types of markets i.e. (i) Auction method (organized market) and (ii) Direct sale of vegetables from farmers to customers (Unorganized market). The scope of the study is limited for the unorganized market in Latur City. The responses of the participants of the organized market system were not taken into consideration. The vegetables are sold in these markets by farmers to the customers as well as to middlemen; hence it is not a pure 'Farmers' Market'.

9. Result and Discussion :

- 1) 67% of the sellers were selling their vegetable directly to customers and 33% sellers to middlemen. It means 67% of the sellers are farmers and 33% are the middlemen. So the sellers of the unorganized market consist of both farmers and middlemen.
- 2) The farmers who sell vegetables directly to the customers earn profit upto 30% and the farmers who sell to the middlemen earn profit upto 10%, whereas the middlemen earn an average profit of 15 to 25%. It indicates that the farmers who sell vegetables directly to customers earn more profit as compared to those farmers who sell it to middlemen.
- 3) Following problems are faced by the sellers in the present vegetable market.

Table 1 : Various problems faced by the sellers in the vegetable market

Sr. No.	Particulars	Percentage
1.	Wastage	35%
2.	Low margin of profit	29%
3.	Lack of Market Information	15%
4.	Exploitation	13%
5.	High Transportation cost	8%
	Total	100.00

Source : Compiled from the data collected from the respondents.

Table 1 show that, the major problem of unorganized vegetable market system was ‘wastage of vegetable’ which is faced by 35% sellers, followed by the problem of ‘Low margin of Profit’ by 29%. ‘Highest Transportation Cost’ by only 8% sellers. It means the major problem of the unorganized vegetable market is wastage of vegetable due to lack of storage (cold storage) facility.

- 4) All the sellers are facing the problems like - lack of storage facility, parking facility, electricity, sanitation, cleaning, etc. To overcome these problems, 93% sellers are ready to pay some charges for providing these facilities in the market place.
- 5) 100% respondent farmers are ready to sell their vegetable directly to the customers but due to problem of space, time and location 33% farmers are forced to sell the vegetables to the middlemen.
- 6) 79% of the customers are satisfied with the present unorganized vegetable market system as they get vegetables at low price as compared to the other retail sellers.
- 7) All the respondents (farmers as well as customers) are willing to adopt a new organized system of market if it provides facilities like - space, electricity, parking, storage / cold storage, sanitation, market information and allied services.

Table 2 : Opinion of the stakeholders about the Unorganized Market system

Particulars	Yes	No	Total
Farmers	36 (66.67)	18 (33.33)	54 (100)
Customers	99 (78.57)	27 (21.43)	126 (100)
Total	135 (75.00)	45 (25.00)	180 (100)

Source : Compiled from the data collected from the respondents.

Note : Figures in the brackets shows the percentage to total

- 8) 91% of the farmers and 81% of the customers are ready to adopt a new organized vegetable market which is based on the 'Rythu Bazaar' market system.

Table 3 : Opinion of the stakeholders about the adoption of 'Shetakari Bazar'.

Particulars	Yes	No	Total
Farmers	49 (90.74)	05 (9.26)	54 (100)
Customers	102 (80.95)	24 (19.05)	126 (100)
Total	151 (83.89)	29 (16.11)	180 (100)

Source : Compiled from the data collected from the respondents.

Note : Figures in the brackets shows the percentage to total

10. Testing of Hypothesis:

For testing the hypothesis Chi-square test is used at 5% level of significance.

Hypothesis	Table Value (At 5% level of significance)	Calculate d Value	Rejected / Accepte d
H1) Both sellers and customers are satisfied with the present unorganized vegetable marketing system	3.84	2.85	Accepted
H2) The sellers and buyers of vegetable markets are ready to adopt a new organized marketing system.	3.84	2.68	Accepted

11. Conclusion :

Majority of the Farmers (Sellers) and Customers (Buyers) are satisfied with the present unorganized market existing at various places in Latur city, even though, they face problems like - space, storage, wastage, cleanliness, sanitation, parking, electricity, etc. This is because the more formal and organized vegetable market (auction method) in Latur city also faces more or less the same problems and above all exploitation of farmers and customers by middlemen. Almost all the respondents (sellers and buyers) are willing to adopt a new market based on 'Rythu Bazaar' provided the problems faced by them are solved under the new system.

12. Suggestions :

- 1) The local authorities should have to come forward and take initiative to introduce an organized vegetable market on the principles of 'Rythu Bazaar' system. So that every stakeholder gets benefit and can avoid the loopholes and exploitation prevailing in the current vegetable markets.

- 2) In order to effectively and efficiently implement the 'Rythu Bazaar' like system and to eliminate the problems faced by the farmers as well as the customers of both organized and unorganized market the researchers suggest to establish 'Shetkari Baazar'.
- 3) The 'Shetkari Baazar' is to be established as a nonprofit association of farmers with the help of the local authority in order to provide market facilities, storage, parking, electricity, sanitation, and above all marketing of vegetables at suitable locations in Latur city.
- 4) The profits of the 'Shetakri Baazar' are distributed amongst the farmer members after meeting the expenditure on the basis of their aggregate sale.

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