

## **PERFORMANCE OF RYTHU BAZAAR: CASE STUDY OF CHITTOOR TOWN**

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### **ABSTRACT**

**Rythu bazaar** is **Farmers' Market** established in Andhra Pradesh. It is run by the Government for small farmers with small land holdings. In this market, farmers bring their produce and sell directly to the consumers, thereby eliminating middlemen, who were exploiting both farmers and consumers alike. It has helped in reduction of prices in other out lets and vegetable markets. Farmers' markets are a traditional way of selling agricultural and home manufactured products. This paper analyses the preferences, needs and wants of the vegetable buyers and make them available to farmers so that they can take appropriate decisions regarding the marketing strategies to be implemented in Rythu Bazaars of Andhra Pradesh State of India.

Keywords: Farmers' market, Rythu Bazaars.

### **INTRODUCTION:**

**Rythu bazaar** is **Farmers' Market** established in Andhra Pradesh. It is run by the Government for small farmers with small land holdings. The first market started in January 1999 during the regime of Sri. N. Chandrababu Naidu, the then Chief Minister of Andhra Pradesh. In this market, farmers bring their produce and sell directly to the consumers, there by eliminating middlemen, who were exploiting both farmers and consumers alike. Thus the produce available is economical and farm fresh. It is cultivated on the farmers' yard. It has helped in reduction of prices in other out lets and vegetable markets.

The farmers are greatly benefited by this kind of business since they sell directly to the customers and do not pay any commission to the agents. The customers are also get good quality agriculture products at lower prices. Thus, they have become popular, creating a demand for the

produce of small farmers. It caught on well and the demand for such markets in Vijayawada and other parts of the state has increased.

### **THE MODEL:**

Farmers' markets are a traditional way of selling agricultural and home manufactured products. A weekly Market day is a part of normal life in Villages and town squares throughout the world. A good way for a traveler to sample local foods and learn about local culture is to attend market day, especially when it coincides with a festival, such as Sankranthi, Dussehra etc.

Produce which is sold in Farmers' market is renowned for being locally-grown and very fresh. People argue farmers' markets allow farmers to pick produce at the peak of flavor, preserve the nutritional content of fresh produce, and since locally-grown produce does not travel as far to get to your table, the difference in mileage saves fossil fuels. Advocates of Farmers' markets believe these markets help farmers to stay in business as well as preserve natural resources. The whole sale prices which, farmers get for their produce are very low, often near the cost of production. Farmers, who sell directly to the public without going through a middle man, will obviously get a better price. It can be shown that the preservation of farmland is important for the health of the environment and water supply.

One of the weakest links in the chain of activities concerned with production and disposal of agricultural products is marketing. Besides the farmers, other major sufferers due to lack of proper marketing facilities are the consumers who are deprived of the fresh farm products. This paper analyses the preferences, needs and wants of the vegetable buyers and make them available to farmers so that they can take appropriate decisions regarding the marketing strategies to be implemented in Rythu Bazaars of Andhra Pradesh State of India. The findings of the study indicate that majority of consumers felt the location of Rythu Bazaar is not conducive; 58% of the respondents faced some or the other problem in making purchases in Rythu Bazaar. The study also reveals that majority of respondents felt the behavior of sellers at Rythu Bazaar has been impolite; and 63% of the respondents felt very bad about the parking facility and other amenities at the Rythu Bazaar. The paper recommended that the government should take adequate measures to educate both farmers and consumers, about farmers' markets, and orient them the benefits of participating in the Rythu Bazaar. Local administration should also enlighten the farmers to acquaint themselves with the latest marketing strategies and help them become efficient and self-sufficient. Location

should be more effective where parking and other amenities should be there to make more conducive.

The basic concept hinges on the objective of building up farmer's prosperity. All the years' farmers have been performing the role of producers of commodities. Though over the years, through the extension guidance provided to them, they have excelled in increasing production, but their prosperity has hardly been transformed. This is due to their lack of knowledge and control on the marketing of their produce. As such Farmers Market is an exercise to build up farmers' orientation towards market and in turn to increase their income and prosperity. Hence, the essential philosophy behind the above model is to help the farmers not only to control his production of commodities but also to assume the role of seller of his own produce in the market. This would lead eventually to build up farmer's prosperity and consumer satisfaction. This is also a mechanism to avoid middlemen and help consumers by providing fresh products from the farm.

#### **INDIAN SCENARIO:**

In the year 2002, Government of Maharashtra has decided to set up Shetkari Bazaars in the State and the Maharashtra State Agriculture Marketing Board has been appointed as nodal agency for implementing this scheme. The Shetkari Bazaars were established in all Districts and key Taluka places by APMCs. The produce brought by farmers from the local area will not be levied any tax.

#### **ANDHRA PRADESH SCENARIO:**

In Andhra Pradesh, Rythu Bazaar are thus planned for creating a direct interface between farmers and consumers and it is one of the farmers' friendly direct marketing systems in operation in the country. All commodities that a farmer produces will be marketed in the Rythu Bazaars. They would include vegetables, flowers, fruits, cereals, eggs, milk, meat, honey, seeds, saplings etc. Apart from the above all products that the farmer needs for their production would also be provided in Rythu Bazaars (MG.1999).

#### **OBJECTIVES OF RYTHU BAZAARS:**

The idea of establishing Rythu Bazaars was to achieve the following objectives:

- To create a venue for farmers to sell their own produce directly to consumers.
- To help consumers buy fresh items at comparatively lower prices from producers directly.
- To act as a hub for various activities related to farming.
- To help stabilize prices in other related markets.

- To provide an understanding of consumer needs to the farmers and help dovetail the production system to the consumer requirements.
- To help producers of specific products (not generally grown in an area but having a demand) come from distant places and sell their products.
- To help the local administrations to streamline all operations relating to marketing of local produce at one place.

### **NEED FOR THE STUDY:**

Producers use different market outlets (commission agents, local traders and Farmers' Markets) at different times of the year as a strategy to maximize profits. Farmers' Markets are especially beneficial for small producers, who have difficulties in selling small volumes during the dry season on the conventional market system. Farmers' Markets have influenced producers' practices in two main ways; diversification of production, to include a wider variety of vegetables, and intensification, to maximize the use of water and land resources throughout the year. Farmers' Markets have also stimulated producers' adoption of marketing strategies, through a better understanding of consumers' needs and preferences based on incomes, dietary habits, and religious celebrations. Experience sharing and communication between farmers has also increased. But, unlike conventional marketers who always watch the pulse of their consumers by studying their behavior, farmers are too naïve to conduct market research on behavior of the of vegetables purchasers. So it was felt a study could be undertaken to observe the preferences, needs and wants of the vegetable buyers and make them available to farmers so that they can take correct decisions regarding the marketing strategies to be implemented in Rythu Bazaars.

### **MAJOR OBJECTIVES OF THE STUDY:**

The Present Study has been under taken keeping the following objectives in view viz.,

- ❖ To study the trends in the Rythu Bazaar.
- ❖ To examine the functioning of Rythu Bazaar.
- ❖ To study the extent at which Rythu Bazaar have fulfill the objectives of setting it.

### **HYPOTHESES:**

- ❖ The functioning of Rythu Bazaar in Chittoor is not satisfactory.
- ❖ The objectives of setting of Rythu Bazaar have not been fulfilled.

### **LIMITATIONS:**

The study is limited to only the Rythu Bazaar in Chittoor town.

**METHODOLOGY:**

a) **Sources of data:** The study has made use of only the primary data collected from the Rythu-cum-Sellers, DWACRA group Sponsored Shopkeepers and also few consumers numbering hundred.

b) **Tools:** Percentages and pie-diagrams are used as tools for analysis.

**ANALYSIS OF DATA AND RESULTS:**

This study is an empirical analysis of consumers’ preferences, purchasing and consumption patterns towards Rythu Bazaars. The present study has been conducted in Chittoor town.

**Timing of the purchase of vegetables in Rythu Bazaars**

Timing of the purchase of vegetables in Rythu Bazaar	No. Of Respondents	Percentage
Morning hours	33	33%
Afternoon	40	40%
Evenings	27	27%

**Gender of the Consumers**

Gender	No. Of Respondents	Percentage
Male	40	40%
Female	60	60%

**Major Influencing factors for selecting Rythu Bazaars for purchasing vegetables**

Factors	No. Of Respondents	Percentage
Quality	26	26%
Right Measurements	21	21%
Freshness	13	13%
Location of Rythu Bazaar	6	6%
Availability	9	9%
Price	21	21%
Others	4	4%

**Quality of vegetables in Rythu Bazaar**

Quality level	No. Of Respondents	Percentage
Excellent	33	33%
Good	36	36%
Average	31	31%

**Price of vegetables in Rythu bazaars**

Price Level	No. Of Respondents	Percentage
Generally Cheap	31	31%
Average	32	32%
More than average	21	21%
Very high	16	16%

**Convenience of Location of Rythu Bazaar**

Convenience of the location	No. Of Respondents	Percentage
Excellent	11	11%
Good	19	19%
Poor	70	70%

**The behavior of the sellers in Rythu Bazaars**

Details	No. Of Respondents	Percentage
Very courteous	22	22%
Somewhat Courteous	26	26%
Impolite	35	35%
Very impolite	17	17%

**FINDINGS:**

The following are the findings, which have emerged from the present study.

Most of purchasers at Rythu Bazaar are females (60%).

- Most of the consumers are house wives .
- Most of the consumers have rather big families with 4 to 5 members (44%).
- Many consumers purchase vegetables once in three days (23%).
- Majority of the respondents purchases vegetables in the afternoon timings (40%).
- Most of the respondents considered quality of vegetables as major influencing factor in purchasing at Rythu Bazaar (26%).
- Majority of the consumers perceived the quality of vegetables at Rythu Bazaar as excellent and good (69%).
- Majority of the consumers perceived the Price of vegetables at Rythu Bazaar as cheap and average (63%).
- Most of the consumers felt the availability of vegetables at Rythu Bazaar as good .
- 29% of the respondents faced some or other problem in making purchases in Rythu Bazaar.
- Majority of respondents felt the behavior of sellers at Rythu Bazaar as impolite.

#### **COCLUSIONS AND RECOMMENDATIONS:**

Due to the finance and time constraint of the researcher, the study was conducted on the small sample of hundred, hence to arrive the meaningful and workable conclusion the sample size to be increased. The linking of farmers to Market is a dynamic and ongoing process and there can never be a single solution to all the regions of a country or one country's solution cannot be adopted for another. The social, cultural, historical, regional, agricultural practices, the varieties that are grown and the resource inputs that goes into agriculture are remarkably different in different regions. The networking that can happen in terms of enlarging the primary processing such as sorting, grading, drying, primary packaging, proper storage, preservation and extension of shelf life with a clear process of good transportation results in an immediate benefit to the farmer as he links up to the market. It is this "Value addition to the Agricultural products" that will build an every firm rural base for a stable growth in the economy by exploring the local market itself. This is what one looks forward with an enlightened farmers who can have not only access to the latest market information but also en-cash it by proper strategy and becomes a part of the Food Chain itself as he reaches out to the market place.

The government should take adequate measures to educate both farmers and consumers about farmers' markets 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. Farmers should be trained to preserve their products to keep it fresh. Hybrid varieties should be introduced to increase the productivity. Research may be conducted to know that the demand of consumers and availability of products in the market along with existing rates and projected rate of their products. To bring the products at doorsteps farmers should be given place of market with the help of local (Panchayath) organizations. To control the lack of water, drip irrigation, Pitcher irrigation, rain water harvesting and other suitable ways may be introduced by government with the help of local organization and NGOs.

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