



ISSN: 2230-9926

Available online at <http://www.journalijdr.com>

IJDR

International Journal of Development Research
Vol. 14, Issue, 11, pp. 67102-67105, November, 2024
<https://doi.org/10.37118/ijdr.29003.11.2024>



RESEARCH ARTICLE

OPEN ACCESS

INTERACTIONS ON LIVELIHOOD STRATEGIES - OPTIONS FOR RURAL PRODUCERS AND URBAN CONSUMERS

***Vishnu, V. and Dr. Kasim Nasheer, S.**

Research Scholar & Associate Professor, Department of Public Administration, Government Arts College, Coimbatore – 641018

ARTICLE INFO

Article History:

Received 11th August, 2024
Received in revised form
19th September, 2024
Accepted 17th October, 2024
Published online 30th November, 2024

Key Words:

Uzhavar Santhai, Agricultural Marketing, Livelihood, Urban Consumers.

*Corresponding author: Vishnu. V

ABSTRACT

India has been a predominantly agricultural economy, it now seems to be increasingly shedding this image and transforming itself into a service sector-driven economy. As more and more policy decisions are being taken in favour of the manufacturing and service sectors, less is said about the agricultural sector. In an effort to overcome these constraints, an innovative market mechanism took shape in the heartland of Tamil Nadu, popularly called the Uzhavar Sandhais or the farmers' markets. Uzhavar Sandhai is a unique fair farmers' market model wherein 'informed consumers' buy the products of poor, small and marginal farmers at fair prices that induce the producers to stay in farming. The Farmers' Markets are set up as a separate entity from the conventional marketing system; there are important overlaps between the two for both producers and consumers. These need to be better understood to maximize the positive impact of Farmers' Markets. This paper summarizes the impact of Farmers' Markets on the livelihoods of the most vulnerable key groups: small and marginal farmers and farming women, low-income urban consumers and vegetable hackers. It also examines the role of the institutions involved in the management of the initiative, and formulates recommendations to improve the efficiency and the positive impact of the policy on vulnerable groups.

Copyright©2024, Vishnu, V. and Dr. Kasim Nasheer. This is an open access article distributed under the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

Citation: Vishnu, V. and Dr. Kasim Nasheer, S. 2024. "Interactions on Livelihood Strategies - Options for rural Producers and Urban Consumers". *International Journal of Development Research*, 14, (11), 67102-67105.

INTRODUCTION

Agriculture, which is considered the backbone of the Indian economy, has taken a back seat due to the apathy of government policies in the last two decades. The percentage of cultivable land has come down. Meanwhile, nearly 70 percent of the population depending upon agriculture for their daily livelihood directly or indirectly is currently undergoing a transformation. With dwindling surpluses from agricultural activities, most of the labourers have now shifted to service sector activities like real estate, working as construction workers, and others (especially the second generation from farming families) who are semi-skilled have found solace in the periphery, working for courier companies and the like. Thus, semi and unskilled workers are forced to take up work in manufacturing (mostly contractual in nature) and service sectors – where wages are minimal and hardly any social security is provided by the company. Yet approximately some 20 percent of the villagers now depend solely upon agricultural income for their livelihood directly. Farmers' welfare directly depends upon the income generated from agricultural produce. This income would be high or low depending upon the nature of the price discovered in the market for the produce. The farmers often do not participate in determining the price and instead the middlemen and agents (and in the case of certain crops, the government) do it.

These third parties make profit out of the loss imposed upon poor farmers by manipulating the demand-supply conditions. When this threatens the daily livelihoods of the villagers, they search for better sources of income outside agriculture. This leads to sale of land, which ultimately drives the agricultural labour-force out of employment. The other side of the story is that due to the low prices received for their produce, farmers are sometimes compelled to give very low wages to the labourers, which is far less than what they might receive in comparison to the manufacturing sector. This forces the labourers to migrate out of agriculture. This indeed is not bad for an economy, which is in the second stage of reforms and globalization. Reforms would be meaningful in the macro context, only if they provide greater employment opportunities with better wages and working environment. It is an irony that it is not so in the agricultural sector in a nation, which calls "Gandhi" the father of the nation, who always stressed upon self-sufficient villages as the building blocks for making India a strong nation. Today we have a situation where large-scale migration of productive labour force (in the age group of 16 to 58) from villages to metros is creating unmanageable shanty townships. This has come about due to a combination of misplaced trade and other policies. An organized agricultural market can be viewed as one, which contains better space and place for farmers to sell their goods. This market should also provide some sort of transport facility to move the goods from the

farmers' gate to the market. In addition, the authorities in consultation with the farmers of the region should fix the price on a day-to-day basis. This line of thought has already gone into the minds of some Indian states; one pioneering effort being that by the state of Punjab. In Punjab, a farmers' market was established in the year 1987 by the name 'Apni Mandi', which catered to every need of small as well as big farmers. The same system has been adopted in Tamil Nadu since 1999. Farmers' market in Tamil Nadu is called 'Uzhavar Sandhai' and was first started in Madurai. During the initial stages it was considered as highly successful and had the full backup of farmers. Since it catered to the needs of small and marginal farmers, many such markets have been opened throughout Tamil Nadu. But, what is noteworthy is that the Uzhavar Sandhai s or the farmers' markets in Tamil Nadu have survived despite inadequate support from the government, which has focused its energies behind the promotion of self-help groups (SHGs), providing them with infrastructure and soft bank loans, etc. Therefore, the Uzhavar Sandhais have survived purely because of the merits in their "unique system of marketing support to farmers in rural and consumers in urban areas. This needed a revisit and that is the primary goal of this study.

Vegetable markets and Farmers' Markets in Tamil Nadu: Vegetable marketing systems in Tamil Nadu traditionally revolve around central markets, where commission agents and wholesale traders collect produce from farmers and distribute it to retailers. Commission agents retain ten percent of all transactions, which means that they have a low margin of risk since they do not make a direct financial investment. These material exchanges of goods are also embedded in a complex web of social relations, in which power differences, especially in terms of access to information on markets and to financial assets, are significant. Producers are highly dependent on commission agents. While larger farmers usually sell directly to central markets' commission agents, small farmers who produce lower volumes of vegetables may be forced to sell to local traders, especially during the dry season. However, local traders are often 'assemblers' for commission agents and it is the latter who fix prices. Price fixation is not done in open competition between agents, but as a common decision. Prices vary throughout the night and the early morning, depending on the volume of arrivals, leaving room for commission agents to pay farmers at the lowest price of the day, regardless of the actual price at which their vegetables are sold. This increases the official ten percent profit of commission agents, and is especially frequent when sales go towards the repayment of loans they have extended to farmers. The Farmers' Markets initiative specifically excludes all traders, who are perceived as inherently exploitative. The Markets are under the administration of the local Agricultural Marketing Committee, and eligible farmers are selected by officials of the Agriculture and Horticulture departments in feeder villages located within a 40 km radius from each Market. Officials seconded to the Markets are responsible for ensuring that only genuine farmers attend them. In collaboration with farmers' representatives, they are also charged of fixing the maximum prices. Construction costs for the Markets are covered by the local Agricultural Marketing Committee and by the District Rural Development Agency. Land is provided mainly by local government, sometimes resulting in opposition from local administrators. Waste management is provided by voluntary organizations, which recover their costs through parking fees, the Market's canteen profits and the recycling of green waste. It is estimated that the average monthly costs of a Farmers' Market, including salaries of seconded and dedicated staff, interest repayment for construction costs and utilities costs, are between 80,000 and 90,000 rupees. In addition, farmers benefit from free transport for their vegetables from State Transport Corporation buses, which were re-routed to provide an early-morning direct connection between feeder villages and their designated Market. This facility has been discontinued since the change in government in May 2001 and 18 Markets have also been closed down in the wake of criticisms of the Markets in terms of their cost-effectiveness, and of questioning of whether they actually benefit their primary target groups (producers and consumers).

The impact of Farmers' Markets on producers: Access to markets is increasingly considered essential to increase agricultural production and farmers' incomes. This is especially the case for small producers who, because of limited volumes and seasonal fluctuations in their production, often face difficulties in entering marketing systems dominated by large traders. However, access to markets is not the only factor affecting farming. Other assets, such as land, water, labour and access to roads and transport, are just as important. The study's findings show that:

Agricultural production patterns in the study area have changed in the past decade following semi-drought conditions and increases in migration and non-farm employment. Due to limited water availability, worsened by the lack of public investment in irrigation tanks and canals since 1991, even large landholders have switched to horticulture on a reduced portion of their farmland. Farmers' Markets are thus an initiative which responds to current changes in farming practices.

Labour availability is reduced following changes in household structure and organization, with joint households being replaced by nuclear households. Migration and local non-farm employment opportunities have also contributed to reduce the availability of family labour. The study areas, like most of rural Tamil Nadu, have good access to roads and transport. The main benefit from the Farmers' Markets initiative was that, up to certain years initially, free transport for vegetables was provided up to the Market gates, unlike other public and private means of transport. 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 selling small volumes during the dry season on the conventional market system. However, the limited volume of vegetables which can be sold in the Markets means that they cannot be an exclusive outlet for medium and large producers. Farmers' Markets have significantly 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, and many of them have set up Market-based chit (rotating savings) groups. Factors which affect producers' capacity to adapt to changes include access to credit and financial assets, and institutional support. These are key in ensuring that farmers fully benefit from the Farmers' market initiative, and deserve to be better addressed.

Farmers' Markets and vulnerable retailers: Due to the relatively small volumes traded and their limited number compared to that of central and retail markets, Farmers' Markets do not represent a significant threat or serious competition to conventional marketing systems. While this is especially true for wholesale traders and large retailers, including grocery shops, the situation is somehow different for small retailers, and especially mobile vendors who sell small quantities and whose profit margins are often minimal. Headload vegetable vendors are mainly middle-aged, often widows and deserted women who, because of limited assets and skills, find it difficult to enter better-paid occupations. Farmers' Markets have negatively affected headload vendors especially immediately after the opening of the first Markets, as sales volumes for vendors decreased. After some time, however, the situation seems to have stabilised, due to two main types of reasons. First, demand for vegetables is varied, and some customers, for example those with limited storage facilities, limited mobility or living in areas with no retail markets, still rely on daily purchases from headload vendors. Second, headload vegetable vendors face threats from a number of other competitors, and have developed strategies to retain their client base. A main strategy is to expand the area of sales, to cover neighborhoods more distant from Farmers' Markets and other retail outlets. However, this increases vending time and the effort to carry vegetables. Other strategies aim

to retain the customers by offering better quality and correct weighting, as well as incentives in the form of gifts and unpaid services. Some headload vendors can benefit from Farmers' Markets: this includes vendors residing in Markets' feeder villages and holding land, who can apply for identity cards to sell in the Market. Headload vending is relatively common among low-income village women, and access to Farmers' Markets helps them return to farming or, when their assets are insufficient, provides them with a better place to sell produce they purchase from their farming neighbours. Other vendors benefit by purchasing their goods in the Farmers' Markets, but this is only possible where Markets are larger, where longer business hours encourage farmers to bring in produce twice daily instead of once. Vendors based outside the gates of Farmers' Markets and selling items which are not sold there may also benefit, but only marginally.

Low-income urban consumers and Farmers' Markets: Most Farmers' Markets are located in high- or middle-income neighborhoods. This, together with the importance given to adequate parking facilities in the construction of all Markets, suggests a certain bias in favour of higher and middle-income consumers. It is certainly true that attracting and retaining this type of consumers is important for the continuing success of the Markets. At the same time, it is legitimate to ask whether public policy and subsidized initiatives such as Farmers' Markets should not explicitly target low-income urban groups as a matter of priority. The reason for this is that the nutritional status of poor groups is more likely to benefit from the initiative than higher income groups who already have a wider range of options. Food practices of residents of the low-income settlements are not homogenous. Differences depend on overall income but also on income security. Residents who rely on daily earnings spend more on food than those relying on weekly earnings, since they cannot save on bulk purchases. This affects the quality and quantity of their food. The Public Distribution System has played an important role in establishing rice as the staple food of low-income urban groups. This in turn has increased consumption of vegetables as an accompaniment to rice meals. Consumption of non-vegetarian food, especially chicken and eggs, has also increased as they have become more affordable. Some households complement their requirements by growing their own vegetables, but this is limited by lack of space in the densely populated low-income settlements. Vegetable cultivation in the few available open spaces is constrained by competing uses, especially open defecation in the settlements with no sanitation facilities. Accessibility of Farmers' Markets depends first of all on their location, which must be within a short walking distance from the settlements. Residents must also be able to combine visiting the Market with the demands of their jobs, which often leave them no free time during the relatively short opening hours of the Market. In this case, they must rely on local shops which normally have longer business hours. Low-income users of Farmers' Markets agree that prices are affordable and cheaper than most, but not all, local outlets. Despite this, the poorest households relying on daily and/or irregular earnings are tied to local shops which, unlike Farmers' Markets, offer credit facilities. Produce sold in the Farmers' Markets meets low-income consumers' demand, especially for local, 'country' vegetables which are cheaper and are prepared in traditional ways. Because of the wider choice of varieties that in the local shops, consumers relying on weekly wages can afford to purchase vegetables every 2-3 days rather than on a daily basis, and save on shopping time.

Broader objectives of the initiative: Two further objectives of the Farmers' Markets initiative deal with broader vegetable markets. The first aims to stabilise prices in vegetables and fruit. Farmers' Markets have not fulfilled this objective for three main reasons.

First, the quantity of vegetables sold in Farmers' Markets is extremely small compared to that transacted in the conventional market system. Because of this difference in size, it would be very difficult for Farmers' Markets to exert any influence on the conventional markets.

Second, prices in Farmers' Markets actually depend on prices in the conventional market system, since daily price fixation in the

Markets is made on the basis of prices in the central market and in the retail markets. Hence, Farmers' Markets prices merely reflect any fluctuation in the conventional system.

Third, the nature of the produce and especially its extreme perishability, are a serious obstacle to more effective measures to ensure price stabilization, and it would be very costly if not impossible to maintain stocks to release on the market if prices increase too much. In summary, the objective of stabilizing prices is too ambitious for a relatively small initiative such as Farmers' Markets. Moreover, it ignores the specific problems of vegetable marketing.

RECOMMENDATIONS

Since the change in government in Tamil Nadu in 2001, the Farmers' Markets initiative has lost its prominence on the policy agenda, and administrative, institutional and political support is dwindling. This report highlights the numerous shortcomings in the way the initiative was conceived and implemented. However, it has also shown its sometimes significant benefits for vulnerable categories of producers and consumers, and for some traders. The recommendations below draw on this understanding and aim to support and promote the positive impact of Farmers' Markets while reducing or eliminating the negative aspects.

Specific recommendations: The recommendations below specifically relate to ways to improve the effectiveness of Farmers' Markets. They draw on the various stakeholder workshops held throughout the course of the project, as well as from the wider recognition arising from the research findings that, overall, the initiative responds to the needs of several groups and especially poor and vulnerable ones, and as such deserves to be supported.

Reduce subsidies and increase farmers' participation: In the current set-up, each Farmers' Market costs between 80,000 and 90,000 rupees per month. The majority of this goes to cover government officials' salaries, whose functions are essentially to enforce controls on farmers and on prices. Farmers are now well aware of the importance of a regulatory framework in attracting consumers, but this can be done in a more bottom-up way and at a reduced cost. Farmers in two of the Farmers' Markets in this study are prepared to cover the running costs of the Markets currently covered by the Marketing Committee, and they have calculated that this would amount to a daily fee for each farmer of around 10 rupees. Officials seconded from the Agriculture and Horticulture departments would be able to return to their parent departments, and their functions in the day-to-day running of the Market would be taken over by the Marketing Committee composed by representatives of farmers and consumers, under the supervision of the Agricultural Marketing Committee. The remaining key functions of government officials are training and the provision of inputs. These would be carried out in the Market as a form of extension activities with a specific focus on farmers participating in Farmers' Markets.

Link Farmers' Markets with transport services planning: With the current re-routing of State Transport Corporation buses to their original pre-Farmers' Markets routes, a number of feeder villages are being cut off and farmers have to walk a long distance or pay for private transport to reach the bus stop. The location of feeder villages should be a key element in the decisions concerning bus routes, and direct connections with Farmers' Markets should be made a priority. Availability of transport is essential for genuine farmers selling their produce in the Farmers' Markets. Not recognizing this implicitly favours the 'farmers in disguise' attending the Markets, who are urban-based and buy their vegetables from the central market.

Increase flexibility: The example of the study Farmers' Market in Tamil Nadu shows that longer business hours and openness to sell to buyers of larger quantities such as headload vendors and hotel owners is beneficial to both producers and consumers. Low-income consumers would also find it easier to combine visits to the Markets with their working hours. In many instances, opposition to extended

business hours came primarily from government officials who feared a workload increase. Under the management of the local Marketing Committee, such decisions would be made by farmers and consumers, under the supervision of the Agricultural Marketing Committee. This would ensure sufficient flexibility to meet local needs.

Explore links with other markets: The Farmers' Markets initiative has shown the importance of direct access to markets for small vegetable producers. This could be expanded beyond Farmers' Markets. For example, in many countries it is compulsory for retail markets to reserve a small proportion of their stalls for farmers, who pay rent for them. Similar possibilities should be explored in retail markets and weekly markets, if necessary incorporating this as a clause in any market sub-letting contract issued by local authorities.

CONCLUSION

The Uzhavar Sandhai is a unique fair farmers' market model which is capable of providing answers to several challenges put forth by the globalization of agriculture. One of the positive aspects of the Sandhai is that it does not require much training because all that is required is the introduction of the concept of fair farmers' market. Organized innovations and institutional structures do not come that easily within the circle of poor and small and marginal farmers without support from government bodies. Such thought processes may not cross farmers' minds as they are for the most part engaged in thinking about their future prospects and family problems created by low income levels and the lack of market for their produce. Thus, if they are given the required simple training in marketing techniques, they can decide what to cultivate, at what time to sell, at what price and to whom. What Uzhavar Sandhai has done effectively is to create a better market for the products of poor, small and marginal farmers with fixed prices and informed consumers, which induces the former to stay in farming. The latter will act as a guiding parameter in initiating small farmers towards deciding market movements and will in turn enthruse the succeeding generation to take up agriculture as an occupation. By providing opportunities for employment to lakhs of landless agricultural laborers at their own villages, this could also put a check on migrations to cities leading to the creation of shanty townships. Each city is 'different' by way of its culture, practices and socio-economic fabric. So we have to redesign the farmers' market concept to suit the conditions prevailing in each cities and towns. Thus, the third recommendation towards a successful operation of this agricultural market model is that these markets should be established keeping in mind the socio-economic characteristics and cultural practices of the local population. The successful operation of farmers' markets also requires visibility and convenience of farmers and consumers to transport to the market place. One way of ensuring the latter is to locate the market in the middle of a densely populated area. If customer convenience is not taken into consideration while setting up the market, it is bound to fail.

Thus, more townships should be identified so that farmers will need to travel only less distances. This would also yield better gender representation. Thus, a 20-km radius is recommended as the most ideal distance between different farmers' markets. The City-Centric Market Model is beneficial both for farmers and consumers alike and thus the foremost recommendation, which emerges is that these farmers' markets should be strengthened as well as emulated elsewhere to empower the small farming community in our country. The farmers' markets provide farmers with instant cash and fair prices and also provide a place to the consumers wherein they can buy vegetables and fruits cheaper than the retailer market. These can also enable farmers to withstand the forces of globalization that have already crept in the forms of contract farming and corporate farming, which is fast gaining ground in India. So, what has been done effectively in Tamil Nadu should be practiced by other state governments in their own innovative ways. This will surely improve farmers' and agricultural laborers' lives, and will ultimately help the agriculture sector growth in the economy.

REFERENCES

- Kavitha S.S., September 21, 2005, "Barnala bowled over by 'Uzhavar Sandhai'" The Hindu, Newspaper, {<http://www.thehindubusinessline.com>} 2005092111400100.htm.
- Krishnamoorthy R., February 23, 2006, "Cultivators' plea to streamline jasmine procurement", The Hindu, Newspaper {<http://www.thehindu.com>}.
- Krishnamoorthy R., May 30, 2001, "Vegetable cultivators in a soup", The Hindu, Newspaper {<http://www.thehindu.com>}.
- Revathy L.N., May 6, 2004, "Dharapuram riots hit by poor quality onion seeds", Business Line, Newspaper, {<http://www.thehindubusinessline.com>}2004050701821900.htm.
- Shanker S., Wednesday, May 29, 2001, "Farmers launch campaign for continuing Ambattur Uzhavar Sandhai", The Hindu, Newspaper {<http://www.thehindu.com>}.
- Sivakumar R, 2003, "A study on Working of Uzhavar Sandhai in Erode District", dissertation submitted in December.
- Subramanian Karthik, August 10, 2002, "Govt. apathy keeps farmers away from market", The Hindu, Newspaper {<http://www.thehindu.com>}.
- Sundar S., September 23, 2005, "Uzhavar Sandhais getting a raw deal now?", The Hindu, Newspaper {<http://www.thehindu.com>}.
- The Hindu, 10 June, 2004, "Govt. ignoring Uzhavar Sandhais: Cuddalore MLA", Newspaper {<http://www.thehindu.com>}.
- The Hindu, June 2, 2005 "Uzhavar Sandhai, a picture of neglect" Newspaper {<http://www.thehindu.com>}.
- The Hindu, May 30, 2001, "Plug loopholes, revamp Uzhavar Sandhai scheme", Newspaper {<http://www.thehindu.com>}.
- The Hindu, Monday, June 26, 2000, "Farmers' market runaway success in Madurai", Business Line, Newspaper.
- The Hindu, November 09, 2005, "An informative experience", Newspaper {<http://www.thehindu.com>}.
- United States information on farmers market is available at www.ams.usda.gov/farmersmarkets/map.htm
