

# Factors Influencing The Agriculture Market (Uzhavarsandhai) In Karur District

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## **Abstract:**

*Direct marketing by farmers is being encouraged as an innovative channel. Uzhavar Sandhai, the farmers' market was a communal initiative started by the government of Tamil Nadu in the year 1999. The main aim of Uzhavar Sandhai is to help farmers to bring and sell their produce directly to consumers bypassing middlemen and commission agents. The farmers do not yield the benefit as the marketing system for fruits and vegetables is mostly in the hands of middlemen. Middlemen exist at various levels between the farmer and the consumer and exploit through malpractices in weighing, handling and payments. The main objective of the study is to about the factors influencing the farmers' market their produce in Uzhavar Sandhai in Karur district.*

*Key Words: Farmers Market, Direct Agricultural Marketing, Uzhavar Sandhai, Direct Marketing.*

## **1. Introduction**

Direct marketing is an innovative concept, perhaps the only channel suitable for both the consumers and cultivators. Direct marketing of agricultural produce facilitates to eliminate middle men and commission agents who charge high commission fees from the agriculturists/ farmers coming to the markets for selling their produce and artificially inflate the retail prices. It helps the agriculturist /farmers directly sell their produce to consumers at affordable price. Direct marketing ensures higher financial returns for farmers as well as increased consumer satisfaction. Most of the states in Indian have adopted the concept of direct agricultural marketing.

Uzhavar Sandhai (Farmers' Direct Market) was introduced with an intension to eliminate the middlemen and providing necessary facilities for the farmers to sell their produce directly to the consumers at reasonable rates fixed every day. It benefits both the farmers and the consumers. Regulated market yards for agricultural produce (fruits and vegetables) are functioning only at a few centers. The marketing system for fruits and vegetables is now mostly in the hands of middlemen.

Middlemen exist at different levels of the market between the farmers and the consumers. They exploit major portion of income through malpractices in weighing, handling and payments. Agricultural production is scattered and there is no proper pricing policy all so small farmers are unable to effectively bargain for better price in the wholesale market. Inefficiencies in the wholesale markets result in a long chain of intermediaries, multiple handling, and increase the gap between the producer and consumer prices. Large number of small retailers, each handling small quantities, create high overheads leading to high margin on produces.

## **2. Facilities to be provided at Farmer's Market**

### **2.1 Photo Identity Card**

Based on the recommendations made by the team, identity cards are to be issued to the farmers, in which photo of the land owner and his nominee with the particulars of the village name to which the farmer belongs, survey number, extent of the land owned by him, and the vegetables grown are mentioned. The identity cards are to be renewed every six months with reference to the vegetables grown in their fields.

### **2.2 Transport Facility**

Transport facility for pick up and dropping down of the registered farmers to the Farmers market are arranged by the market functionaries through tie-up with state transport department.

### **2.3 Allotment of stalls**

Stalls are to be allotted to the farmers by following lot method or first come first basis. The farmers are not allowed to occupy the stalls permanently. No fee is to be collected from the farmers.

### **2.4 Prices Fixation**

The market committee will every day communicate the moderate wholesale prices of vegetables

through fax between 7.30 AM and 8.00 AM . Based on the same, the prices of vegetable are fixed in consultation with the farmers committee, which may be 20% -25% higher than the whole sale price and lower than the local retail market prices in the area.

## 2.5 Public Address System

Prices of vegetables are frequently announced through public address system to create awareness of the rates of the vegetables among the consumers as well as farmers.

## 2.6 Supply of weighing scales

When the farmers enter into a Farmers market their names along with the particulars such as name of the village and the quantity of vegetables brought by them are entered in a register and they are issued a token. On the basis of the token issued to them, all the farmers are provided with weighing scales without collecting any fee. The farmers will return back the scales after completing their sales.

## 2.7 Other facilities:

- Drinking water facilities
- Toilet facilities
- Canteen facilities for food and tea
- Drainage facilities
- Plastic boxes to collect rotten fruits and vegetables.

Additional facilities like Computers for effective communication, new hybrid seeds, seedlings, organic farming methodology, vermicomposting demonstration and post harvest management training to farmers will also be offered to those farmers visiting Uzhavar Sandhai. 25 Uzhavar Sandhais have been supplied with computers.

## 3. Review of Literature

**Acharya, S.S. and Agarwal, N.L. (2015)** The book defines Agricultural Marketing as comprising of all activities involved in supply of farm inputs to the farmers and movement of agricultural products from farm to the customers. It includes assessment of demand and supply of farm- inputs, post harvest handling of farm- products, performance of transportation activities and public policies of pricing, handling, purchasing and selling of agricultural products. It has also described about agricultural marketing and economic development, government role in agricultural marketing, cooperative societies in agricultural marketing and training & research in agricultural marketing.

**Balram Dogra and Karminder Ghuman (2007)** This book has given the description about the development of Indian Agriculture in Post Independence Scenario, Brief Profile of Indian Agricultural Produce Marketing, Challenges in Marketing of Agricultural Products, and Strategies to promote agricultural produce, which includes Amendments in Agriculture Produce (Grading and Marketing) Act, 1937, Better Supply Chain Management, Crop Insurance Subsidy, Infrastructure Development, Organized Retailing, Build Distinctive and Specific Market for Agricultural Products, and making use of agricultural waste.

**Chinna S S, Agricultural Marketing in India, Kalyani Publication, (2009)** In the literature it is recognized that a dichotomy exists between agricultural and business marketing because the marketing management approach is not prominent in agricultural marketing theory. The author suggests that agricultural marketing has traditionally incorporated everything that happens between the farm gate and the consumer, therefore encompassing areas which „the purist“ may not consider marketing. While analysis of government intervention and policy form the focus of agricultural marketing theory, studies of the objectives and decisions confronting individual businesses are central to business marketing theory.

**Chandru, N. and Jayasubramanian, P. (2015)** conducted a study to analyze the gap between the expected performance and actual performance of the Farmer's in uzhavar sandhai. The main objective of the study is to analyze the customer opinion on the working of the farmer market (uzhavar sandhai). The result divulges majority of the respondents are satisfied with the farmers behaviour while buying at uzhavar sandi, first rank is given to factors required for the purchasing vegetables in uzhavar sandhai.

**Francis Cherunilam, (2005 )** The book emphasize upon an efficient marketing system to protect the interest of the producers, consumers and economy as a whole. The government should develop a suitable strategy of support price for various agriculture commodities, make adequate arrangement for the procurement of agricultural produce at support price and develop a well spread out and regulated infrastructure of marketing, which will ensure a fair price to the producer in open market conditions and help to eliminate the non-functional marketing margins of intermediaries.

**Krishnamacharyulu C.S.G. and Lalitha Ramkrishnan (2008)** It is one of the most authentic books on Rural Marketing. The book deals with rural marketing in the framework of general marketing to identify clearly the peculiarities of rural markets vis-à-vis urban ones, and strategize especially for rural markets. The book is divided into four sections: Perspectives, Insights, Strategies and Cases. The Perspective section consists of 3 chapters including Marketing Management Perspectives, Rural Economy and conceptual framework of rural marketing.

The second section, Insights, comprises three chapters which throw light on analysis of markets and designs of markets. It discusses about consumer behaviour, marketing information system and market segmentation. Section three, Strategies, elaborate marketing strategies related to product, price, promotion and place. The last section, Cases, contains in all 20 cases both comprehensive and specific-to-issue drawn from consumer goods and agriculture products.

#### 4. Statement of the Problem

The direct marketing of agricultural produce was conducted under the control of state government in the name of Uzhavar Sandhai. It is a well organized direct marketing platform for farmers and consumers. Even though farmers of Uzhavar Sandhai were faces several problems while marketing their products, which need urgent attention. One of the most important problems is lack of infrastructural facilities, storage facility, transportation facility, insufficient parking area and unhygienic conditions around the Uzhavar Sandhai. Cold storage facility is important infrastructure for unsold agricultural products like flowers, fruits and vegetables to keep afresh but several Uzhavar Sandhai were running without it. Based on the above discussion the researcher has raised the following research question;

What are the factors influencing the farmers to sell their produce in Uzhavar Sandhai?

#### 5. Study objectives:

- To study the socio economic status of the farmers
- To study the factors influencing the farmers to sell their produce in Uzhavar Sandhai in Karur District.

#### 6. Sampling plan and tool

The study is based on primary data. The researcher collected required data from the respondents who marketing their produce in Uzhavar sandhai. For the collection of primary data, 100 respondents were selected through convenient sampling method. The data were collected by using well structured questionnaire. To analyze the socio economic factors simple percentage method adopted, factor analysis is used to find the most influencing factor.

#### 7. Scope of the study

This study is undertaken to analyze the factors influencing the farmers to market their produce in Uzhavar sandhai. In short, the study covers only socio economic status, and factors satisfying consumer.

#### 8. Study Limitations

The study is confined to following limitations.

1. It is assumed that the respondents are true and honest in expressing their views.
2. The study is applicable only to Uzhavar Sandhai's (Farmers' Market) in Karur District and not to any other similar areas.
3. Due to limitation of time and cost, only 100 respondents were contacted.

#### 9. Analysis and Interpretation

Table 1: General profile of the Respondents

1. Gender	Frequency	Percentage
Male	23	23.0
Female	77	77.0
Total	100	100.0
2. Age	Frequency	Percentage
21-35	8	8.0
36-50	30	30.0
Above 50	62	62.0
Total	100	100
3. Educational qualification	Frequency	Percentage
No formal education	23	23.0
Up to high school	51	51.0
Diploma education	16	16.0
Total	100	100.0
4. Monthly income	Frequency	Percentage
Below 5000	7	7.0
5001-7500	29	29.0
7501-10000	53	53.0
Above 10000	11	11.0
Total	100	100.0

Source: Primary data

The gender distribution of the respondents was, with 23% male respondents and 77% female respondents. The major age group of the farmers was above 50 years 62%, followed by 36 to 50 years 30%, 8% of the respondents were between the age group of 21-35 years. In terms of education qualification, almost 51% of the farmers had high school education, 23% of the farmers falling under the category of having no formal education and remaining 16% of the farmers had diploma level of education. With regard to monthly household income of farmers, the major group of farmers had monthly household income of Rs 7501-10000 53%, followed by Rs 5001- Rs 7500 29%, 11% of the respondents monthly household income was above Rs 10000 and 7% of the respondents earning were less than Rs 5000 per month.

#### 10. Factor Analysis

Factor analysis is a set of techniques which by analyzing correlations between variables reduce their numbers into fewer factors which explain much of the original data, more economically. Even though a subjective interpretation can result from a factor analysis output, the

procedure often provides an insight into relevant psychographic variables, and result in economic use of data collection efforts. The subjective element of factor analysis is reduced by splitting the sample randomly into two and extracting factors separately from both parts. If similar factor result, the analysis is assumed as reliable or stable.

**Table 2 : KMO and Bartlett’s Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy	.714
Bartlett's Test of Sphericity Approx. Chi-Square	773.238
df	91
Sig.	.000

In order to determine the factors influencing, Factor Analysis on 16 items was performed (Table - 2). Principal Component Analysis with a Varimax Rotation and Eigen value equal to or more than 1 (Kinnear and Taylor, 1987) were used for the present study. In order to get clear factorial design, 1 item with factor loadings of less than 0.50 were dropped and loadings equal to or above 0.50 were retained. The dropped question was: Canteen facility. Hence, the factor analysis on the 14 influencing items showed 3 factors with 15 variables and explained 65.07% Variance. In line with the objectives, the present study seeks to find out the factor influencing farmers in the selection of Uzhavar Sandhai to sell their produces. The suitability of factor analysis was validated with the help of Kaiser-Meyer-Olkin measure of sampling adequacy was 0.714, above the recommended value of .6, and Bartlett’s test of sphericity was significant ( $\chi^2 - 773.238, p < 0.000$ ).

**Table 3: Rotated Component Matrix**

	Component		
	1	2	3
Price fixing	.881		
Allotment of shops	.807		
Weighment scale	.777		
Administration	.755		
Working hours	.748		
Quality fixing	.618		
Security arrangement		.842	
Transport facility		.778	
Convenience in marketing		.695	
Agricultural advice		.682	
Allotment of shops		.576	
Parking facility			.724

Water facility			.716
Storage facilities			.684
Toilet facility			.514
Eigen values	4.850	2.663	1.599
Percentage of total variance	34.641	19.018	11.419
Cumulative percentage of variance	34.641	53.659	65.078

**Extraction Method: Principal Component Analysis. Rotation**

**Method: Varimax with Kaiser Normalization.**

The above table shows the first rotated factor F1, explaining 34.64 % of total variance, reveals strong associations between Price fixing, Allotment of shops, Weighment scale, Administration, Working hours, Quality fixing having loadings of 0.881, 0.807, 0.777, 0.755, 0.748, 0.618 respectively on factor 1. This suggests that factor 1 is a combination of these variables. Therefore this factor can be interpreted as “Administrative Facilities”. Now for factor 2 we see Security arrangement, Transport facility, Convenience in marketing, Agricultural advice, Allotment of shops have a high loading 0.812, 0.778, 0.822, 0.695, 0.682, 0.576 respectively. These variables can be clubbed into a single factor called “Marketing Facilities” factor. As for factor 3 it is evident that Parking facility, Water facility, Storage facilities, Toilet facility have the highest loading of 0.724, 0.716, 0.684 0.514 and this factor can be terminated as “Infrastructure Facilities”.

### 11. Conclusion And Suggestions

The concept of Uzhavar Sandhai’s a unique fair farmers’ market mode which is capable of providing answers to several challenges put forth by the globalization of agriculture. The result of the study has tried to model the factors necessary to determine the perceptions of the farmers. The factors determinates really verified the perception a farmers, towards these markets. The study is imperative as it reveals the potential to contribute to the enhancing performance of these markets in future and brings awareness to both the farmers as well as consumers in making these markets more efficient and economical. Moreover the study reveals that majority of the respondents have a positive perception towards these markets and these markets are really proving to be proficient and reasonable. 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.

## 12.Scope For The Future Research

As the present study is confined to factors influencing farmers to market their produce in Uzhavar Sandhai at Karur District, only the views of the farmers are given importance in the study. A study of the similar nature of study can be extended by covering consumers in the sample and by using the same methodology adopted in the present study.

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