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Impact of Agriculture Market on the Socio-Economic Aspects Farmers: A Study with Reference to Rythu Bazaars

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Abstract

The key challenges faced by smallholder farmers result from limited bargaining power and high transaction overheads, leading to poor economies of scale, high losses and limited price realisation due to inadequate infrastructure and poor quality control at the production clusters. Inefficiencies and lack of transparency in pricing, buyer discovery and supply chain inhibit a farmer from realising better prices. Small farmers are often excluded from accessing premium markets due to systemic barriers. Since, this paper aimed to study the impact of agriculture market on the socio-economic aspects farmers with reference to Rythu Bazaars, East Godavari district in Andhra Pradesh has taken study area and 6 Rythu Bazaars in it considered the study units. From each Rythu Bazaars 20 farmers were selected randomly and their perceptions were collected on impact of Rythu Bazaars on their socio-economic dimensions. Hence, the perceptions of farmers revealed that majority group felt impact more on their social status followed by household income and nutrition food habits. While three-fourth of the farmers felt impact of Rythu Bazaars showed to increase their household savings, above seventy percent opined that their financial status increased with the Rythu Bazaars. Moreover, a significant number of farmers felt Rythu Bazaars helped to clear their household debts, above sixty percent opined land holdings and household assets are increased with the help of Rythu Bazaars. Thus it is found that the overall impact of Rythu Bazaars on socio-economic aspects of the farmers found positive and increase their status.

Keywords: Agriculture market, Rythu Bazaars, farmers, socio-economic aspects.

Introduction

Agriculture is the backbone of Indian economy and farmers play significant role in sustaining the sector, farmers face several challenges such as poor market access and limited access to market information which adversely affect their marketing performance. Moreover, agricultural markets have a significant role to play in facilitating the trade of goods, services and information in the Indian economy, they are key to access supporting infrastructure, price information and enhancing farmer incomes (Siwal and Abraham, 2022). Agriculture being a state subject in India, the regulations vary across the states. The supply of diverse products, buyer preferences and government policy has given rise to a variety of marketplaces and procurement models, which have evolved over the years. The key challenges faced by farmers result from limited bargaining power and high transaction overheads, leading to poor socio-economic status. In addition to this high losses and limited price realisation of agriculture produce due to

inadequate infrastructure and poor quality control at the production clusters (Courtois and Subervie, 2013). Inefficiencies and lack of transparency in pricing, buyer discovery and supply chain inhibit a farmer from realising better prices. Thus, farmers are often excluded from accessing premium markets due to systemic barriers. This primer analyses the efficiency, risks, value proposition and challenges of markets and market linkage models from the perspective of farmers and recommends key intervention areas to improve market access for development of farmers' socio-economic status.

Agriculture fulfils the basic need of human kind by producing food and commercial crops. About a century ago, farmer used to produce food commodities mostly for self-consumption or for exchange with others (cash or kind) mostly in the same village or nearby places (Jeyaramya, 2022). But, now production environment has changed considerably from self-reliance to commercialization. Technological advancement in the form of high yielding varieties, use of fertilizers, insecticides, pesticides, farm mechanization has led to a substantial increase in farm production and consequently the larger marketable and marketed surplus (Acharya and Agarwal, 2011). The improved production is accompanied by the increasing urbanization, income, changing life style & food habits of the consumers and increasing linkages with the overseas market. Today consumers are not limited to rural areas where crops are produced they spread across urban and semi-urban areas. Further, increasing demand for processed or semi-processed food products requires value addition in the raw agricultural produce. These developments require movement of food commodities from producer to consumers in the form of value added products. Agricultural marketing brings producers and consumers together through a series of activities and thus becomes an essential element of the economy. The scope of agricultural marketing is not only limited with the final agricultural produce. It also focuses supply of agricultural inputs (factors) to the farmers.

Literature

Pankaj Thakur, et.al, (2023) studied on marketing performance and factors influencing farmers choice for agricultural output marketing channels. This study aimed to examine the marketing performance and factors influencing farmers choice for agricultural output marketing channels in garden pea. The results indicated that farm income, farm experience, distance to the market and market information were significant determinants of farmers choice for marketing channels. Dey and Singh (2023) examined the role of market participation on smallholders of vegetable farmers' wellbeing. The results show that vegetable market participation increases the farmers' monthly income and annual per capita, which leads to increase the socio-economic standards. Bartis and Oberholzer (2022) studied on sustainable opportunity of farmers in African markets. It is found that agriculture markets present favourable opportunities for sustainable growth among farmers. Varghese Subi (2021) studied on impact of Rythu Bazaar on farmers revealed that the farmers bring their produce to the Rythu Bazaars and sell to the consumers directly without the interference of middlemen. So the farmers could sell their produce with a reasonable price decided by the government. This impacts more on their socio-economic status.

Need and significance

The term agricultural marketing is composed of two words, i.e. agriculture and marketing. Agriculture, generally means growing and/or raising of crops while, marketing encompasses a series of activities involved in moving the agriculture produce from the point of production to point of consumption. Many scholars have defined agricultural marketing and incorporated essential elements of time, place, form

and passion utility. Thus, agriculture market is the place where the farmers bring their produce and sell those to the consumers or the middlemen. In this process sometimes the farmers may get reasonable price for their produce or sometimes they have to sell their produce for low price. When they sell their produce for low price they will not meet their expenditure what they put on the crops. Thus the agriculture market has a significant impact on the socio-economic status of the farmers. In this context this paper entitled 'Impact of agriculture market on the socio-economic aspects farmers' aimed to study the following objectives.

Objectives

1. To study the socio-economic status of the farmers in present scenario.
2. To study the impact of agriculture markets on the socio-economic status of the farmers.

Hypothesis

H^0: There is a impact of agriculture markets on the the socio-economic status of farmers
H^1: There is no impact of agriculture markets on the the socio-economic status of farmers

Methodology

The study focuses on the impact of agriculture markets on the socio-economic status of farmers. For this purpose Andhra Pradesh state has chosen as study area and the Rythu Bazaars in East Godavari district are considered as study units. Thus, the data was collected from the farmers, who selling their produce in the markets, selected randomly. From the selected district, six Rythu Bazars have been chosen, and from each one 20 farmers have be selected. Thus all together 120 farmers were participated in this study to extend their support in providing data. For this purpose a questionnaire was used which contains two parts. The first part is socio-economic variables like age, gender, education, income, etc. and the second part of the questionnaire deals with the impact of Rythu Bazaars on socio-economic dimensions.

Data Analysis

After data collection it was processed through SPSS and designed the output results in table format and analysed. Thus, the data was analysed by frequencies, percentages, mean and rank analysis by scores and ANOVA test to find out the impact of agriculture markets on socio-economic status of farmers.

Table-1: Distribution of farmers by their socio-economic variables

Socio-economic variables	Groups	Frequency	Percentage
Gender	Male	54	45.0
	Female	66	55.0
Age	Below 20 years	11	9.2
	21-30 years	26	21.7
	31-40 years	29	24.2
	41-50 years	25	20.8
	51-60 years	23	19.2
	Above 61 years	6	5.0
Education	Illiterate	45	37.5

qualification	Primary	44	36.7
	Secondary	12	10.0
	Under Graduation	10	8.3
	Graduation &above	9	7.5
Average daily income	Below 500	17	14.2
	501 to 1000	44	36.7
	1001 to1500	28	23.3
	1501 to2000	16	13.3
	Above 2000	15	12.5
	Total	120	100.0

The Table-1 shows gender-wise distribution of farmers in selective Rythu Bazaars of Andhra Pradesh. It is noticed that 55.0 percent are female and 45.0 percent are male. Out of total respondents 24.2 percent are in the age group of 31-40 years, followed by 21.7 percent are in the age group of 21-30 years, 20.8 percent are in the age group of 41-50 years, 19.2 percent are in the age group of 51-60 years, 9.2 percent are in the age group of below 20 years and 5.0 percent are in the age group of above 61 years. Out of total respondents 37.5 percent were illiterate, followed by 36.7 percent were primary level education, 10.0 percent were secondary level education, 8.3 percent were under graduates and 7.5 percent were graduation & above. It is found that dominated group of 36.7 percent are earning between Rs.501-1000, followed by 23.3 percent are earning between Rs.1001-1500, 14.2 percent are earning below Rs.500, 13.3 percent are earning between Rs.1501-2000 and the rest 12.5 percent are earning above Rs.2000.

Table-2: Perceptions of farmers about impact of Rythu Bazaar

S. No	Statements	Decreased	No change	Increased	Total
1	Household income	24 (20.0)	38 (31.7)	58 (48.3)	**120 (100.0)**
2	Household savings	30 (25.0)	41 (34.2)	49 (40.8)	**120 (100.0)**
3	Social status	21 (17.5)	52 (43.3)	47 (39.2)	**120 (100.0)**
4	Nutrition food habits	26 (21.7)	45 (37.5)	49 (40.8)	**120 (100.0)**
5	Household debts	38 (31.7)	48 (40.0)	34 (28.3)	**120 (100.0)**
6	Household assets	41 (34.2)	54 (45.0)	25 (20.8)	**120 (100.0)**
7	Land holdings	39 (32.5)	51 (42.5)	30 (25.0)	**120 (100.0)**
8	Financial status	33 (27.5)	47 (39.2)	40 (33.3)	**120 (100.0)**

Perceptions of farmers about impact of Rythu Bazaar on public are shown in the Table-2. Out of total respondents 48.3 percent said that their household income is increased, followed by 31.7 percent said

there is no change in household income and the rest 20.0 percent said that their household income is decreased. It is observed that 40.8 percent opined that their household savings are increased, 34.2 percent opined there is no change and 25.0 percent opined that their household savings are decreased. It is noticed that 43.3 percent said there is no change social status, 39.2 percent said that their social status was increased and 17.5 percent said their social status was decreased. It is found that dominated group of 40.8 percent of farmers said nutrition food habits are increased, followed by 37.5 percent of farmers said there is no change in nutrition food habits and the rest 21.7 percent said nutrition food habits are decreased.

The data reveals that 40.0 percent said there is no change in household debts, 31.7 percent said household debts are decreased and 28.3 percent said household debts are increased. From the data, a majority group of 45.0 percent of farmers said there is no change in household assets, followed by 34.2 percent of farmers said household assets are decreased and least group of 20.8 percent said household assets are increased. It is observed that as many as 42.5 percent of farmers said there is no change in land holdings, 32.5 percent of farmers said land holdings have decreased and 25.0 percent of farmers said land holdings have increased. Whereas 39.2 percent of farmers said there is no change in financial status, 33.3 percent of farmers said increased and 27.5 percent of farmers said financial status has decreased.

Table-3: Perceptive score analysis of farmers about impact of Rythu Bazaar

S. No	Statements	Decreased	No change	Increased	Total
	Scale Value (SV)	**1**	**2**	**3**	
1	Household income	24	38	58	**120**
	Frequency x Scale Value	24	76	174	**274-I**
2	Household savings	30	41	49	**120**
	Frequency x Scale Value	30	82	147	**259-IV**
3	Social status	21	52	47	**120**
	Frequency x Scale Value	21	104	141	**266-II**
4	Nutrition food habits	26	45	49	**120**
	Frequency x Scale Value	26	90	147	**263-III**
5	Household debts	38	48	34	**120**
	Frequency x Scale Value	38	96	102	**236-VI**
6	Household assets	41	54	25	**120**
	Frequency x Scale Value	41	108	75	**224-VIII**
7	Land holdings	39	51	30	**120**
	Frequency x Scale Value	39	102	90	**231-VII**
8	Financial status	33	47	40	**120**
	Frequency x Scale Value	33	94	120	**247-V**
	Total Score				**2000**
	Maximum Possible Score	3(Maximum score points) 120 (number of respondents) x 8 (number of statements)			**2880**
	Percentage of score	Total score of farmers on impact of rythu bazzars/Maximum possible score x 100			**69.4**

	Average	Total score / Number of statements	**250.0**

The Table-3 represents the perceptive score analysis of farmers about impact of Rythu Bazaar on public. There are 8 statements and each one carrying a score on the basis on the respondents. Based on the perspective score the ranks have been generated and the rank order analysis has been discussed in the following.

According to the above table data, it can be understood that the 1st rank is given to the statement "Household income" with a score value of 274, 2nd rank has been given to the statement "Social status" with a score value of 266. It is noticed that 3rd rank is given to the statement "Nutrition food habits" with a score value of 263, the 4th rank is given to the statement "Household savings" which is carrying a score value of 259. It is found that 5th rank is given to the statement "Financial status" with a score value of 247, the 6th rank is given to the statement "Household debts" with a score value of 236, 7th rank is given to the statement "Land holdings" with a score value of 231 and 8th rank is given to the statement "Household assets" which is secured a score value of 224. Hence, the total score of 8 statements was 2000 and the average score is 250.0.

Table-4: Impact of Rythu Bazaar towards socio-economic dimensions of farmers

Particulars	**Category**	**N**	**Mean**	**Std dev**	**Std Err**	**f- value**	**p-value**
Gender	Male	54	16.76	2.180	0.297	2.277*	0.045
	Female	66	15.29	2.184	0.269		
Age	Below 20 years	11	17.36	2.838	0.856	2.552*	0.036
	21-30 years	26	16.69	2.363	0.463		
	31-40 years	29	16.48	2.309	0.429		
	41-50 years	25	16.48	2.182	0.436		
	51-60 years	23	16.96	1.581	0.330		
	Above 61 years	6	15.83	1.472	0.601		
Education	Illiterate	45	16.67	2.276	0.339	2.763*	0.021
	Primary	44	16.57	2.172	0.327		
	Secondary	12	16.17	1.992	0.575		
	Under Graduation	10	16.70	2.003	0.633		
	Graduation &above	9	17.78	2.167	0.722		
Income per day (In Rs.)	Below 500	17	16.47	1.875	0.455	3.315**	0.006
	501 to 1000	44	16.64	1.989	0.300		
	1001 to 1500	28	17.29	2.417	0.457		
	1501 to 2000	16	16.75	2.436	0.609		
	Above 2000	15	15.73	2.154	0.556		
	Total	**120**	**16.67**	**2.174**	**0.199**		

Perceptive score differences among various socio-demographic group farmers on impact Rythu Bazaar towards public are shown in the Table-4. With reference to gender group farmers, it is found that the average perceived score of male (16.76) found higher than their counterpart female (15.29), where the standard deviation of male is 2.180 and female is 2.184. Thus, calculated f-value 2.277 indicate significance at 5% level because the p-value 0.045 is lesser than 0.05. This indicates that gender is a

factor to determine the impact Rythu Bazaar towards farmers, where male farmers impact more than female farmers. Among various age group farmers the average perceived score of below 20 years age group (17.36) found highest than the other groups and the lowest average score perceived by above 61 years age group (15.83), and the standard deviations are 2.838, and 1.472 respectively. With these mean and standard deviation differences among various age groups the calculated f-value 2.552 indicate significance at 5% level because the p-value 0.036 is lesser than 0.05. This infers that age is a factor to determine the impact of Rythu Bazaar on farmers' socio-economic aspects.

The perceptive score of various education groups farmers revealed that the average score of above graduation farmers (17.78) was found highest and the average score of secondary education farmers (16.17) was least and the standard deviation of these two groups are 2.167 and 1.992 respectively. According to the mean and standard deviation differences among the groups the calculated f-value 2.763 indicates significance at 5% level because the p-value 0.021 is lesser than 0.05. This concludes education of the farmers influence the impact of Rythu Bazaar towards their socio-economic aspects. Whereas, with reference to per day income levels of the farmers the average perceptive score of Rs.1001 to 1500 income group found maximum (17.29) than other income groups and the average score of above Rs.2000 income group found minimum (15.73) and the respective standard deviations of the groups are 2.417 and 2.154. In this regard the calculated f-value 3.315 indicate significance at 1% level because the p-value 0.006. This shows that per day income is a factor to determine the impact Rythu Bazaar towards farmers' socio-economic aspects.

Conclusion

The key challenges faced by smallholder farmers result from limited bargaining power and high transaction overheads, leading to poor economies of scale, high losses and limited price realisation due to inadequate infrastructure and poor quality control at the production clusters. Inefficiencies and lack of transparency in pricing, buyer discovery and supply chain inhibit a farmer from realising better prices. Small farmers are often excluded from accessing premium markets due to systemic barriers. Since, this paper aimed to study the impact of agriculture market on the socio-economic aspects farmers with reference to Rythu Bazaars the perceptions of farmers about the impact of Rythu Bazaars the study reveals 82.5 percent felt impact more on their social status and 80.0 percent felt impact more on household income. Whereas 78.3 percent farmers opined impact of Rythu Bazaars on improvement of nutrition food habits of their family. While 75.0 percent of the farmers felt that the impact of Rythu Bazaars showed increase of their household savings, 72.5 percent opined there is a increase of financial status with the Rythu Bazaars. Moreover, 68.3 percent farmers felt with the help of Rythu Bazaars their household debts are decreased, above sixty percent opined land holdings (67.5%), household assets (65.8%) are increased. Thus it is found that the overall impact of Rythu Bazaars on socio-economic aspects of the farmers found positive and increase their status.

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