



**Full Length Research Paper**

## **Vegetables Trade in Semi-Subsistence type of Rural Economy: A Case Study from India**

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### **Abstract**

The work is an attempt to identify the transaction of vegetable through the periodic markets as the case of semi-subsistence economy where a chunk population sells vegetables and describes socio-economic conditions of the traders. It presents how vegetables reach to final consumers through different methods and channels of marketing. Findings of 34 surveyed markets highlight vegetables have share above 66% in transaction. There were 27% producer sellers in majority of small farmers, 33% pity urban traders and 40% rural traders from lower strata the Indian society. The trade for heap of vegetables was commonly held through under cover, auction and open bid methods. An elected market committee to check mal-practices and improvements vegetables trade at different levels is needed with other suggestions.

***Keywords:*** Pity traders, periodic markets, location, connectivity, marketing channels

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### **Introduction**

Indian agriculture has made rapid strides and achieved self dependence foodgrains at the turn of the century after introduced of green revolution. Despite reaching new horizons of development in agricultural sector is still far behind as compared to the country's other sectors, so far as improving the condition of farmers is concerned. Various strategies have been formulated from time to time to improve the lot of farmers, but the economic condition of small and marginal farmers is still very bad, despite a higher economic growth rate. It is because of fact that, the serious efforts could not be made to ensure economic security to farmers. Under this distress situation vegetable cultivation may be proved a blessing for Indian farmers if it is developed properly with an assured, efficient post harvest handling especially, marketing at grass roots level (New Agricultural Policy 2007, Gosh & Gupta, 2005). The demands of the vegetables in both national and international markets are increasing year after year. Indian vegetables can fulfill the demands of the European countries and its many neighbouring countries of Middle-East and the South-East Asia. Relative low production costs and wide range of agro-climatic conditions for vegetable cultivation may enable the country to earn a huge amount of foreign exchange through the export of vegetables throughout out the year (Sood, 2006). Fresh and cheap vegetables are greatly demanded at local level due to rising income, purchasing power, population growth, urbanization, health consciousness and improvement in living standard in both the rural and urban population of the country (Verma & Rai, 2005). However, the present situation of vegetable production and marketing is not very satisfactory though which improvement brought by the development of new technology has taken place (Benerji, 2005).

Now India is the second largest vegetable producing country next to China in the world. But the present production is not sufficient to meet even our domestic demands of 250 gm per capita per day for balance diet. About 70% of marketed vegetables are consumed in urban areas, and the local production from urban fringe areas is not sufficient to meet the demand of diverse kinds of vegetables. This requirement can be met by only through expansion of vegetable cultivation in distant rural areas which have very high potential of vegetable production (Mukherjee & Jayswal, 2006). If proper irrigation and marketing facilities are provided with the improvement in rural network and communication facilities, vegetable producers in remote villages are now able to know the price level and demand of vegetables in urban, national as well as international markets (Ali & Khan, 2007).

However, it is necessary to understand the socio-economic profile of vegetable growers and their accessibility to the levels and categories or agriculture markets where they can dispose off their surplus at remunerative prices with fair dealings. Periodic markets are only options for vegetable growers, who belong mainly to marginal and small size or land holding of backward classes of society (Amani & Khan, 1993). The negligence of studies on potential and existing pattern of vegetable transaction in these markets by scholars, scientist as well as planners have resulted in frustrations and disappointments among the Indian farmers especially, vegetable growers who have to follow distress sale after harvesting tier crops because they cannot store them for longer

period due to their perishable nature. This distress sale acts as disincentive to vegetable production as well as to producers (Ali, 2009).

The vegetables, being the most perishable commodities, require immediate transaction after harvesting the crops. Delay in marketing process will reduce the producer's benefit per unit weight of their surplus. Periodic markets are serving as very important exchange centers for assembling or vegetables for transaction to urban as well as to national and international markets and also for the transaction for local consumers who are participating in these centers (Shrivastava, 1999).

Periodic markets are important features of economic space especially, in the countries of developing economy. As far as the term periodic market is concerned, it is a type of market based on temporal character that happens of any event at regular intervals. Hence, these markets may be defined as the place where traders and consumers meet at particular interval of time, on a specific day or days of the week, fortnight, in a month, and so on (Dixit, 1984). They are known as *gabya* in Ethiopia, *haat and bazar* in study area.

## Data and Methodology

The present research work is based on fully primary data those were collected by the author, due to paucity of published and collected data regarding transaction of vegetables through periodic markets. The information was gathered through three comprehensive field surveys with direct schedule method during 2005-06. Out of a total 170 periodic markets, there were 34 markets (20%) selected by using stratified random sampling, for detailed investigations pertaining to the vegetable transaction. On the basis of stratified random sampling, 50% vegetable traders from each periodic market were interviewed for obtaining detailed information regarding their socio-economic. The collected data were processed in tabular form to derive specific conclusions with the application of simple mean and percentage methods. Statistical and cartographical techniques were applied to analyse and represent.

## Geographical outlook of study area

In the view of importance of periodic markets for vegetables transaction at grass roots level in the semi-subsistence type of economy, a micro unit Shahjahanpur district has been selected as a study area. The district covers an area 4575 sq km, and population 25.4 million. There are four sub-divisions, 14 blocks, 11 urban centres, 2080 villages, and 170 rural markets.

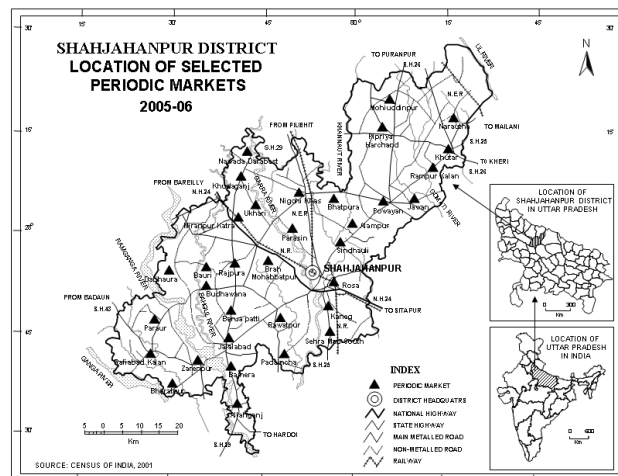


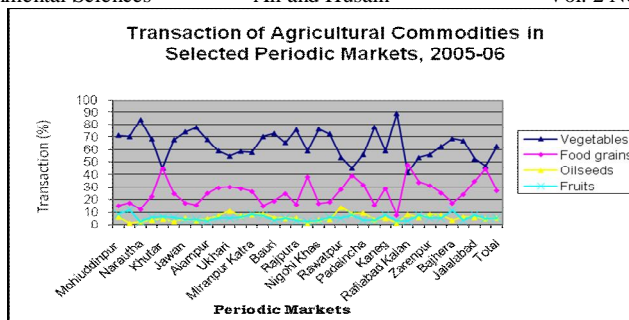
FIG 1

## Results and Discussion

### Vegetables transaction through periodic markets

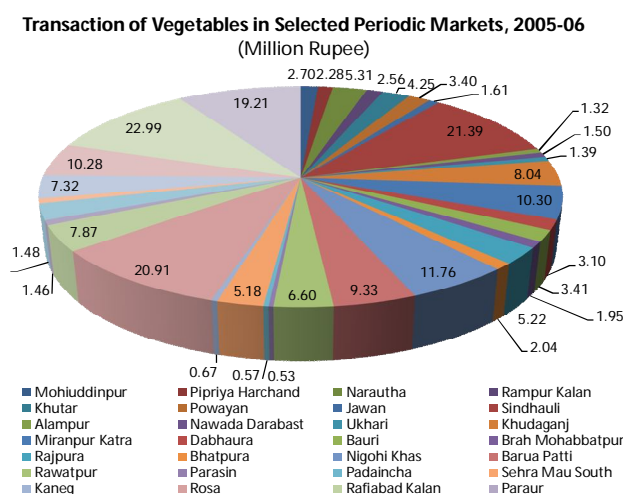
The findings of field surveys of selected periodic markets reveal high transaction of vegetables (62.71%), due to freshness and perishable nature which discourage long distance for the trade and handled by small farmers and petty traders. They have trade services for 2-9 km radius (Ali, 2009). It is due to backward nature of study area in context of storing, freezing, and transporting facilities, marginal and small holders to dispose off their perishable produce; vegetables- potato, cabbage, cauliflower, tomato, onion, garlic, peas, beans, bottle gourd and so on.

Rosa market was on the top rank in transaction of vegetables (88.89%) because of its location along national highway NH 24 near the city region where a great demand of vegetables occurs from the urban agglomeration and periphery industrial area where labourers and other workers work in manufacturing units of rice, sugar chemical fertilizers and thermal power station. Besides, vegetables are supplied from the fringe areas where horticulture diffusion has been taken place in the agriculture.



Source: Based on field survey, 2005-06

Generally, annual sale of vegetables through the periodic markets in India was nearly 35,000 million rupees<sup>1</sup> (Benerji, 2005) particularly, in study area among the selected markets it was assessed more than 200 million rupees, which varied market to market (Fig 3). The highest annually transaction of vegetable 22.99 million rupees was recorded in Jalalabad market that was located in sub-urban area. Socially and economically backward small and marginal farmers arrive to sell their produce-vegetables which are cultivated in a wide vicinity of the Ramganga and bahgul rivers. Besides, quick cash, fair prices, good trade services and road connectivity from the market attract especially small and landless farmers.



**Participation of vegetable sellers**

The sellers involved in the transaction of vegetables were categorized in three categories on the basis of their activities and nature living areas, i.e. producer sellers, village and urban traders.

Table 1 indicates that urban vegetable traders constitute the highest share (40.99 %) to the total sellers because mostly vegetables are cultivated in the nearest concentric zone of the city. Urban sellers carry vegetables from that spaces and adjacent regions to sell in the periodic markets. Unemployment and underemployment are main push factors in the urban areas to force the urban residents to trade vegetables for earning the livelihood and supplement to their income.

Moreover, these sellers purchase vegetables from regulated markets or urban centres and sell in the periodic markets. However, it has been noted during the field investigation that the urban traders visit to periodic markets those are held along the roads for purchasing and selling vegetables. The study also analyses that in three markets (Alampur, Parasin, and Paraur), exceptionally, where no participation of urban vegetable traders was registered. It was due to their interior locations, poor accessibility, small and local or primary nature of the markets. The participation of vegetable urban sellers more than that average (40.23%) was among 14 markets. It was due to the higher concentration of urban traders were nature, size of catchment areas, and increasing population pressure on urban masses.

**Table 1:** Participation of vegetable sellers

Periodic Markets	Producer Sellers (%)	Village Traders (%)	Urban Traders (%)
Mohiuddinpur	30.00	50.00	20.00
Pipriya Harchand	25.29	47.06	17.65

1. 1USD=50 Rupees (Rs) in March, 2006

Narautha	25.00	50.00	25.00
Rampur Kalan	21.05	26.32	52.63
Khutar	37.50	02.50	60.00
Powayan	24.00	48.00	28.00
Jawan	30.00	65.00	05.00
Sindhauri	00.25	50.00	25.00
Alampur	38.46	61.54	00.00
Nawada Darabas	30.00	60.00	10.00
Ukhari	52.63	42.1	05.26
Khudaganj	12.00	28.00	60.00
Miranpur Katra	16.13	19.35	64.52
Dabhaura	33.33	60.00	06.67
Bauri	33.33	55.56	11.11
Brah Mohabbatp	48.00	40.00	12.00
Rajpura	37.50	37.50	25.00
Bhatpura	50.00	30.00	20.00
Nigohi Khas	16.67	50.00	33.33
Barua Patti	32.79	26.23	40.98
Rawatpur	35.00	15.00	50.00
Parasin	57.14	42.86	00.00
Padaincha	40.00	53.33	06.67
Sehra Mau Soutl	30.00	55.00	15.00
Kaneg	35.29	58.82	05.88
Rosa	09.53	03.17	87.30
Rafiabad Kalan	26.67	60.00	13.33
Paraur	40.00	60.00	00.00
Zarenpur	71.43	20.00	08.57
Bharatpur	48.39	48.39	03.22
Bajhera	22.73	31.82	45.45
Budhawana	25.00	25.00	50.00
Jalalabad	08.33	16.67	75.00
Allahganj	15.00	15.00	70.00
Total	26.78	32.99	40.23

Source: Based on field survey, 2005-06

The rank of village traders was second among traders dealing with vegetables. On an average, their share accounted for 32.99% that varied market-to-market. It was due to in the rural areas, vegetable trading is the main source of the livelihood, especially for socially backward people (*kachhi, saini, kujra* and *bhatiyara*)<sup>2</sup>, small and land farmers, who are traditionally sellers of vegetables. The highest proportion of village traders was noted in Jawan (65%). It was situated in the agricultural advanced area of the district where mechanized cultivation is in practice. In spite of it, majority of village traders belongs to landless labourers and marginal farmers. A big segment of them practices the business of vegetables for their income and employment throughout the year. They purchase vegetables from neighbour towns and sell in this market to get earning.

The vegetable producer sellers were found at third position (26.78%) of the total sellers that varied market to market. The highest proportion of these sellers (71.43%) was in Zarenpur market because it was well knitted with non-metalled roads from the interior villages of the Ramganga and its tributaries' catchment areas in which a major section of producers belong to a strata of landless, marginal, and small farmers. They carry the vegetables in this market by bullock carts, cycles, and on feet for selling.

#### The local methods of vegetable transaction

Regarding small size of vegetables, transaction method is direct sellers/traders to buyers. If vegetables are in heap or at large scale, their transaction is operated through the following methods among surveyed periodic markets.

**i) Under Cover Method-** It is a primitive method, which operated with the help of wieghman in interior markets of the study area where weighman clasped the hands under a cover cloth from both groups-buyer and seller, press the fingers to indicate the rate at which their buyer is ready

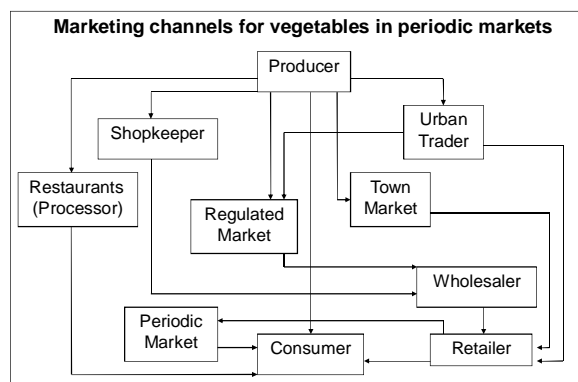
**ii) Auction Method-** Under this method, buyer declares his bids aloud to auctioneer, who may be broker, or seller himself. The goods are eventually sold to the highest bidder. However, in the same market, double auction system prevails. At the first auction, the sellers/farmers auction each heap of commodities to brokers. In the second auction the brokers auction their purchases to the other buyers.

<sup>2</sup> *kachhi, saini, kujra* and *bhatiyara* people/communities belong to lower strata of Indian society who traditionally involved in the production and trading of vegetables.

**iii) Open Bid Method**-In this method, the transaction is settled by direct bidding between buyer and seller individually. This is common practice in which the buyers may come for transaction at a time convenient to him. Sometimes, he carries the vegetables and sometimes he leaves with the sellers on the promise to take it the same day.

### Marketing Channels for Vegetables

Marketing channels show a commodity flow system in which goods move from the producer to the consumer through time, space, and ownership. The vegetables undergo from different marketing channels. The length and structure of marketing channels vary with the nature of commodities-



- i. Producer-consumer (direct sale)
- ii. Producer- small processor-consumer
- iii. Producer-urban trader-retailer-consumer
- iv. Producer-town market-retailer-periodic market-consumer
- v. Producer-village trader-periodic market-consumer
- vi. Producer-regulated-wholesaler-retailer-periodic market consumer

### Conclusions and Suggestions

The present study analyses vegetables transaction is chief among trading commodities among selected periodic markets. Perishable nature, backward study area, in context of storing, freezing, and transportation facilities were made these market centres as hubs where transaction of vegetables was assessed more than 200 million rupees. They are the only options for marginal and small holders to dispose off their vegetables. Markets situated along the roads and near urban centres vegetables are supplied from peri-urban areas where horticulture is practiced as truck farming. Small marketable vegetable surpluses are carried by the marginal and small farmers to sell, when they have an immediate need of money.

Periodic markets serve at local level, where the average share of vegetable sellers as producer sellers, village sellers and urban sellers is 27%, 33%, and 40% respectively. The vegetable sellers belonging to urban area are in majority because mostly vegetables are cultivated in the nearest concentric zone of town/city; sellers carry vegetables from there as well as different parts of the district and adjacent regions to sell in these markets. Unemployment and underemployment are main push factors in the rural and urban areas that force the land less farmers, lower strata of Indian society of rural and urban areas, to trade vegetables for earning the livelihood and supplement for their income.

The vegetables in heap was transacted through under cover, auction and open bid local methods while retail and small size of vegetable produces were traded directly between traders and buyers. The different marketing channels were also identified for vegetables in the district according to the length of channels, which shows an effective marketing of vegetables to reach for final consumers.

Moreover, it was observed that transaction of vegetables has been facing a number of organizational as well as infrastructural deficiencies as lack of space for auction, standards weight and measures, grading facilities, management and storage facilities, communication and accessibility. There is a need to reduce these problems, which will help the farmers thereby helping in agricultural development of the district.

An elected Periodic Market Committee (PMC) should be constituted for each periodic market to supervise the vegetable transaction taking place. The committee should be responsible for control the price by releasing a price list at every week for different vegetables and providing facilities needed in the rural and town markets of the study area. The markets should be held out of settlements on open spaces which are connected to main roads by link roads. The participants of the markets; traders, brokers, weighmen, middlemen should be registered. All malpractices and other local charges should be defined and under control of PMC. All periodic markets, especially first and second order, should be facilitated with creation of storage facilities so that the producers could stock their commodities for next market day.

A major section of producer sellers, village traders and urban traders of vegetables (non producer sellers) belong to marginal, small farmers and labourers of unorganized sectors. Therefore, micro credit facilities should be provided for them (Sriram, 2008).

Periodic markets should also have linkages at the each level of the hierarchy of markets with telephone, fax and internet facilities, and allowing electronic trade (Powar & Lokhande, 2004). If the above mentioned facilities are developed at grass roots level, would enable to the producers, traders as well as consumers to get maximum benefit in the study area taking place at global level after increasing influence of WTO in agricultural sector.

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