

## **Prospects of Apni Mandi in Punjab – A Case Study of Ludhiana District**

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### **Abstract**

*The concept of Apni mandi i.e. farmers' own market was initiated in Punjab in February 1987 in to provide marketing facilities by the market committee to the farmers in the market to sell their produce in a direct contact with the consumers. But over a period of time the dominance of the non- farmers and retail traders can be seen in these markets which has corrupted the true spirit of the concept. The present study examined the prospects of the Apni Mandi scheme by analyzing the influencing factors and problems faced by the fruits and vegetable sellers in these markets. Two Apni mandis each in Ludhiana and Khanna were randomly selected for the purpose of the study. Complete enumeration of the sellers was done and total 189 sellers comprising 50 farmers and 139 non- farmers were found. All the 189 sellers were made respondents for study conducted in 2017-18 and primary data were collected through well structured pre-tested schedule. The farmer and non-farmer sellers (100 per cent) claimed that the basic facilities such as, market intelligence services, transportation of produce, storage facilities, counter balance weights, packaging material, etc, were not provided by market committee. Though about 96 per cent of farmer sellers whereas only 45 per cent of non- farmer sellers agreed that parking facility was there in the Apni mandi. Quick sale and higher returns were perceived as number one factor which influenced the farmer and non- farmer sellers respectively to sell their produce in Apni mandi. The presence of non-farmer sellers in Apni mandi badly affected the farmers' sale and it was number one problem as reported by farmer sellers while absence of registration of non-farmer sellers with Punjab Mandi Board in Apni mandi was the top most problem in case of non- farmer sellers.*

**Keywords:** Apni mandi, Farmers' market, Problems, Prospects

**JEL Classification:** C83, M38, Q13

### **Introduction**

The economic importance of 'grow more' has been increasing on account of rise in domestic as well as international demand for food, fruits and vegetables (Dhaliwal *et al.*, 2005). But in the absence of proper marketing, the increased production becomes a burden for farmers rather than improving farmer's income and economic status. This led to new challenges in terms of finding a market due to increasing trend in production (Indumathy *et al.*, 2016). Agricultural marketing particularly of fruits and vegetables includes middlemen as a result of which producer-farmers get very low prices for their produce and sometimes cannot

even compensate with their expenditure of production. Thus, a concept of farmers' market was introduced with a need to eradicate middlemen and organize facilities for the small farmers to trade their output directly to the customers at reasonable rates (Chandru and Jayasubramanian, 2015). The Farmers' markets provide marketing facilities to the farmers and producers and have a direct contact with the consumers. In addition, the customers purchase fresh and good quality product at low price. The market turnover which otherwise is taken by the middlemen is shared by the producers and the customers. Direct selling by farmers is being called as *Apni Mandi* in Punjab, Rajasthan and Haryana; *Rythu Bazar* in Andhra Pradesh; *Uzhavar Sandhai* in Tamil Nadu; *Shetkari Bazar* in Maharashtra and *Krushak*

*Bazar* in Odisha (Jairath and Agarwal, 2005).

The farmers' market or Apni Mandi in Punjab is based on the concept of 'Saturday Market' of Cambridge (Gill, 2019). Apni Mandi was introduced in Punjab in S.A.S Nagar, Mohali in February 1987 (Bathla, 1990). The Punjab Mandi Board organizes the market through Market Committee and has 67 Apni mandis in 23 towns in Punjab and Chandigarh. The number of farmers increased from 10,278 in the year 1988 to 3.54 lakh in the year 2010 and to 3.56 lakh in the year 2018. Correspondingly, the sale of agriculture produce in the year 1988 was worth for Rs. 2.96 crore which increased to Rs. 62.93 crore in the year 2010 and to 69.33 crore in the year 2018 (Anonymous 2017). Any farmer who is the land owner or tenant of land and actually grows agricultural produce, fruits, and vegetables on such land and is eager to get involved in Apni Mandi can get his names registered with the Secretary, Market Committee (Mukhopadhyay and Chakrabarti, 2009).

But in Apni mandi, farmers face several problems. Quality facilities are sometimes not available. Infrastructure support is missing (Anonymous 2017a). Farmers may find it difficult to compete in Apni mandi due to the presence of traders. Lack of cleanliness (Anonymous 2017) and poor waste management poses a challenge to Swachh Bharat Abhiyan. Several similar problems may be faced by consumers as well (Sharma and Madhavan, 1998). All these factors may actually defeat the purpose of Apni Mandi scheme of government in Punjab. In this light, the present study was conducted to examine the future prospects of Apni mandi scheme by analyzing factors responsible for the sellers to market their produce in it and to examine the problems faced by them there.

### **Data Sources and Methodology**

In Ludhiana district of Punjab, Apni mandi was being organized at Ludhiana city and at the town of Khanna at six and four different places respectively. From Ludhiana city, two Apni mandis- one being operated at Dugri Road Urban Estate (near Sukhmani Sahib Gurudwara) and another at near Haibowal Chara Mandi and similarly from Khanna two Apni mandi one being operated at near Guru Amar Das Market and other at Under Bridge Samrala Road were selected randomly for the purpose of study. A complete enumeration of the sellers was done and total 189 sellers comprising 50 farmers and 139 non- farmers were found in all the

selected the Apni mandi and were made respondents for study conducted in 2017-18. Primary data were collected through well structured pre- tested schedule. Garrett's Ranking Test was used to analyze different responses given by the respondents on factors and problems.

### **Results and Discussion**

Apni mandi was an initiative of its kind to link small vegetable and fruit producers and consumers. Farmers have to bring their produce to the market and sell in retail. The study found that out of total 189 sellers in Apni mandi taken for study only 50 sellers (26.45%) were the growers of their produce whereas 139 sellers (73.55%) were the traders those were buying the produce in wholesale from elsewhere and were selling it in retail there. Similar findings were discussed by another study on analysis of Apni mandi which revealed that only 9.7 per cent of the vendors on Apni mandi were farmers and rest of them were non- farmers such as traders, rehriwalas, pheriwalas or agents of the traders (Kumar and Kaur 2014).

### **Commodity wise distribution of sellers**

The results presented in table 1 showed the type of commodity brought by farmer sellers and non-farmer sellers in Apni Mandi in Ludhiana and Khanna. The study highlighted that all (100 %) the farmer sellers were the vegetable sellers only (they were the marginal (16%), small (44%), medium (34%) and large farmers (4%)) as they were growing only vegetables. However, in case of non-farmer sellers, there was variation in market arrivals. The majority of the non-farmer sellers (61.15 %) were selling only vegetables, 22.30 per cent of them were selling fruits only while 16.55 per cent were found selling both fruits and vegetables in Apni mandi. The reason behind bringing fruits along with vegetables to Apni mandi by non-farmer sellers was that none of them was the actual cultivator. They were the retail traders in the mandi and to earn good returns by attracting more consumers in the market they had both fruits and vegetables to sell. Thus, they offered a variety of commodities to consumers as well as a tough competition to the farmer sellers in Apni mandi.

### **Registration of sellers**

The perusal of table 2 showed the information regarding registration of sellers with Punjab Mandi Board. As per the scheme of Apni mandi, the seller's

**Table 1. Commodity wise distribution of sellers in Apni mandi**

Commodity	Farmer sellers		Non-farmer sellers	
	Number	Percentage	Number	Percentage
Vegetables	50	100.00	85	61.15
Fruits	-	-	31	22.30
Vegetables and fruits	-	-	23	16.55
Total	50	100.00	139	100.00

participation in it is on the basis of the approval of secretary, market committee. A person is allowed to sell his/her produce in Apni mandi on the condition that the seller should be the actual farmer in the real sense. The scheme draft of the Apni mandi clearly mentions that every caution would be taken in this regard so that retailers should not participate in the garb of farmers and thus defeat the very purpose of scheme. It was interesting to find from the study that all the farmer sellers (100%) were registered with Punjab Mandi Board, whereas, none of the non-farmer sellers was registered. It was due to the fact that the scheme of Apni mandi was meant only for farmer sellers and they had to get registered so as to sell their produce in Apni mandi. The serial number assigned to farmers was the registration number for the purpose of making identity cards of the farmers to participate in the Apni mandi.

### Facilities provided to the sellers

In Apni mandi scheme various facilities such as *Shamiana*, Table, Chairs, counter weight of capacity up to 5 kg, Packaging material of minimum 2 kg of capacity (for first month only), transport facility (those who don't have it, for sixth months) should be provided to the farmers. Parking facility for sellers and consumers, arrangements of safe drinking water and cleanliness according to the need are also to be made by the market committee.

The information regarding facilities provided by market committee to sellers is discussed in table 3. It

was found that 96 per cent of farmer sellers whereas only 45.32 per cent of non farmer sellers agreed that there were enough parking facility in Apni mandi. It was further observed that 52 per cent of the farmer sellers agreed that clean drinking water, toilets and cleanliness in Apni mandi was provided by market committee, while 52.52, 68.35 and 71.22 per cent of non-farmers did not agree that such facilities was there in Apni mandi. Surprisingly, from results it was seen that all of the farmer as well as the non-farmer sellers (100%) claimed that none of the other marketing facilities such as market intelligence services, transportation of produce, storage facilities, providing counter balance and weights, packaging material, etc, were not provided by the market committee in any of the selected Apni mandi under study.

### Factors responsible for influencing sellers to sell in Apni Mandi

The factors which influenced the sellers to sell their produce in Apni mandi had been shown in the Table 4. As per the sellers' response, the factors such as high returns on sale, quick sale of produce, less bargaining, more customers in the market, better facilities provided by Apni mandi as compared to other vegetable markets and guidance provided by mandi officials were enlisted. All the farmer sellers who were influenced from these factors were asked to give rank from 1 to 6 as per the effectiveness of factor. By applying Garrett's ranking method, using the ranks given by respondent's total scores and mean scores were obtained. The study

**Table 2. Registration of sellers in Apni mandi**

Particulars	Farmer sellers		Non farmer sellers	
	Number	Percentage	Number	Percentage
Registered with Mandi Board	50	100.00	-	-
Total	50	100.00	139	100.00

**Table 3. Facilities provided to the sellers by the market committee**

Facilities	Farmer sellers			Non farmer sellers		
	Yes	No	Total	Yes	No	Total
Parking of vehicles	48 (96.00)	2 (4.00)	50 (100)	63 (45.32)	76 (54.68)	139 (110)
Toilet	24 (48.00)	26 (52.00)	50 (100)	44 (31.65)	95 (68.35)	139 (110)
Drinking water	26 (52.00)	24 (48.00)	50 (100)	66 (47.48)	73 (52.52)	139 (110)
Cleanliness	19 (38.00)	31 (61.00)	50 (100)	40 (28.78)	99 (71.22)	39 (110)

Figures in parenthesis are percentage.

highlighted that quick sale was perceived as number one factor in case of farmer sellers while at second rank in case of non- farmer sellers to influence to sell in Apni mandi. More number of customers in the market was another important factor to attract farmers to Apni mandi to sell their produce. Further, the third and first rank was given to higher returns by farmer and non- farmer sellers respectively as the fact that every producer- sellers' motive remains to earn maximum return from the product sold. Thus the seller always prefers a place where he can sell his commodity easily and get higher returns. The customers in Apni mandi know that the farmer directly was bringing the produce in the market and was quite fresh and was getting it at a reasonable price hence price bargaining was not a problem for the farmer sellers and was fourth factor to influence them to come to the direct market. As discussed earlier, both the farmer as well as non-farmer sellers did not believe that adequate facilities were provided to them in the mandi, therefore, they gave fifth rank to this factor. Lastly, farmer and non-farmer sellers gave sixth rank to the factor of guidance

provided by the mandi officials regarding how much to produce what to be brought in Apni Mandi, how to increase sales, how to take care of commodities etc.

### Problems faced by sellers

The problems faced by farmer and non- farmer sellers while selling their produce in Apni mandis in Ludhiana and Khanna is shown in the Table 5. All the sellers who had faced the problems were asked to give rank from 1 to 7 as per severity of the problem. By applying Garrett's ranking methods, ranks were assigned to the problems. The study highlighted that for the farmer sellers competition with non- farmer sellers was the top most problem in the market. It was claimed by the farmer sellers that their marketing was badly affected by the presence of non-farmer sellers in Apni mandi, as being the traders they offer a variety of commodities such as different vegetables and fruits etc whereas farmer sellers had limited produce and that too the veggies only. In most of the cases they give small portion of coriander and or green chilies as complementary with the purchase of vegetables from

**Table 4. Factors influencing sellers to sell in Apni mandi**

Factors	Farmer sellers(n=50)			Non- farmer sellers(n=139)		
	Total score	Mean score	Rank	Total score	Mean score	Rank
Higher returns	2893	482.17	3	9427	1517.17	1
Quick sale	2967	494.50	1	9133	1522.17	2
less bargaining	2779	463.17	4	8286	1381	3
More customers	2937	489.50	2	7165	1194.17	4
Guidance provided	2443	407.17	6	6878	1146.33	6
Better facilities	2756	459.33	5	7034	1172.33	5

**Table 5. Problems faced by sellers in Apni Mandi**

Problems	Farmer sellers(n=50)			Non farmer sellers(n=139)		
	Total score	Mean score	Rank	Total score	Mean score	Rank
Lack of space	2862	409	3	8508	567	3
No shaded area	2709	387	4	8548	570	7
Price fluctuation in evening	2669	381	5	7925	528	5
Lack of cleanliness and toilets	2292	327	7	7848	523	6
Higher entry fees	2568	367	6	6573	438	2
Lack of drinking water	2888	413	2	8337	556	4
High competition	3457	494	1	8582	572	1

them. On the other side, the non- farmer sellers also found high completion with farmer sellers as number one problem in the Apni mandi. Infact, the farmers bring their own produce directly to the mandi hence being the produce fresh, the customers prefer them and they have its quick sale which poses competition to the non farmers in the market. The second and sixth rank was given to the problem of high entry fee in the market by non farmer (Rs.20) and farmer sellers (Rs.50) respectively. The problem of lack of enough space for the better functioning of Apni mandi was given rank three by both farmer as well as non- farmer sellers. Lack of drinking water in Apni mandi was another problem as it was found that the sellers had to bring their own water from home because there was no provision of safe drinking water in the mandi. Price fluctuates and normally falls in the evening and this was common in the mandi with all perishable produce hence was a problem given fifth rank by the both type of sellers. No provision of shaded area in the Apni mandi was also a problem faced by sellers. Due to non availability of sheds the sellers had to cover their stalls (*addas* i.e. fixed selling place) with plastic sheets therefore was a problem ranked at fourth and seventh by farmer and non- farmer sellers respectively. Lack of cleanliness in and toilets in Apni mandi was another problem which was assigned rank seven and six by farmer and non-farmer sellers respectively.

### Conclusion and Policy Implications

The results obtained from the study showed that the participation of farmer sellers who were the actual growers was less in number as compared to that of non farmer sellers who were not the growers but the traders only in Apni mandi. All the farmer sellers (100%) in

Apni Mandi were found registered with Mandi Board while non farmer sellers were participating in Apni mandi without having any registration with market committee. There was absence of various facilities such as *shamiana*, tables, chairs, weighing machine, packaging material etc in the market for the farmers. Therefore, the study calls for adequate space, shed and parking area in the market. Some important issues in the market like garbage clearance, clean drinking water, toilets, electricity and market intelligence service should also be taken care of for the proper and efficient operation of Apni mandi. The major factor which influenced farmer sellers to sell their produce in Apni mandi was quick sale of their produce as there were more customers in Apni mandi as compared to other vegetable markets. On the other hand, non-farmer sellers were infiltrating Apni mandi for higher returns on sale. Non-farmer sellers were not authorized to enter and sell in the market as they were not registered there but were giving tough competition and badly affecting their sale and therefore their presence was a major problem with the farmer sellers in Apni mandis. Besides this, the fruit growers must be encouraged to come and sell in Apni mandi. The study evinced that Apni mandi has a great scope, if strict measures to stop and restrict the entry of non- farmer sellers in and outside the Apni mandis are taken. Therefore, the success of Apni mandis would largely depend upon the strict implementation of the scheme of the Apni mandi in Punjab in true sense.

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