

Trade in Agricultural Produce

Every day, all of us consume rice, millet, pulses, vegetables, fruits, milk, sugar, tea, coffee etc. Most of them are mainly produced by farmers in villages and they reach us in different ways. Can you make a list of all the food items we consume as a day to day basis by filling the following table? Also think of where we get all these things from.

S.No.	Categories	Items	From where do we get them
1.	Food grains		
2.	Pulses		
3.	Oil		
4.	Spices		
5.	Vegetables		
6.	Fruits		
7.	Sugar		
8.	Tea/ coffee		

People get agricultural products from street vendors, *santhas* and small shops. In recent times, farmers are selling their fruits and vegetables in Rythu Bazaars. In this chapter, we will learn about how some of these function.

Selling vegetables on streets

Gouri is a small vegetable vendor residing in Sripuram village. She buys seasonal vegetables from the wholesale vegetable market in a nearby town and sells them on streets carrying the

vegetables in a basket on her head. She goes from door to door and asks people whether they need any vegetables. In the village, two-three other women also sell vegetables in this way.

Every day, Gouri starts from her village at about 4 a.m. She goes to the town to buy vegetables from the wholesale market. She goes and comes back by bus and spends Rs.25 on transport everyday. She generally keeps all the vegetables in her house and takes out one basket load at a time. Once the



Fig. 8.1: Gouri carrying vegetables basket on her head

vegetables are sold, she goes home to refill the basket and resumes her selling. In between, she also cooks, feeds her children and attends to other household work. On some days, she is too tired or sick to do this tough job and has to rest at home.

What price does she charge from her customers? For example, if she buys 10 kilograms of tomato for Rs.100, she sells it at Rs.15 per kilo. But, she can't sell all the tomatoes at Rs. 15 per kilo. If the tomatoes are over-ripe, she has to sell them at Rs.10 or even at Rs.5 per kilo to avoid spoilage. In the morning, she sold the tomatoes at Rs. 15 a kilo and by the evening we found her selling them at Rs.8-9 per kilo. On the whole, she earns only Rs.100-150 in a day, which is not sufficient to meet her family's needs.

- ♦ Do you think she can increase her income by raising the price of tomatoes to Rs. 20 per kilo?

Gouri keeps some of her income for the next day's purchase. Otherwise, she would to borrow from a moneylender or a self help group or a wholesale merchant. They never refuse to lend money to her but are very strict in their terms and conditions. If she borrows Rs.500 from a moneylender, he give her only Rs.450 and she has to pay back Rs.500 on the next day. She will have a serious problem if she is not able to sell the vegetables on the same day as they go bad fast and fetch very little money.

Gouri is just one of the thousands of vegetable vendors of Telangana. In towns, many vendors have a permanent place – hired either from the municipality or from private shop owners. Some also sell vegetables on the pavements, paying a small amount to the panchayat or the municipality.

Vendors like Gouri lead a very difficult life and are chronically in debt. Since they borrow from moneylenders (generally banks do not lend money to these small traders), a considerable part of their earnings goes towards paying interest or *vaddi*. Secondly, they do not have any facilities to preserve the unsold vegetables. In contrast to this, big traders have cold storage facilities and godowns. They can also borrow money from banks at low rates of interest. Thus, they earn more and become richer whereas the small traders become poorer.

- ♦ What are the terms and conditions of moneylenders for lending money?
- ♦ Why do you think banks lend money only to big traders with permanent shops?

- ♦ How can the government help vendors like Gouri?

Weekly Market (*Santha*)

Do you know about markets held once in a week in different localities of a town or in different small towns? These markets are called *santhalu*. The traders move from one *santha* to another and sell their goods. The traders of *santhas* procure goods from wholesale shops in towns and cities and reach out to a large section of the people. Can you believe that more than 25000 such *santhalu* are functioning in India? They function in both rural and urban areas. Let us find out some more details about a *santha* in Telangana.

Sunday *Santha* in Choutuppall

Choutuppall is a small town in Yadadri district. The Choutuppall *santha* functions

on every Sunday. In this *santha*, more than 200 traders sell vegetables, fruits, clothes, meat, fish, dry-fish, hand-made tools and readymade footwear, cosmetics, ropes equipment for farming and cattle rearing and many other things. Buffaloes, goats and sheep are also traded here. People from more than 40 surrounding villages come to buy goods in the Choutuppall *santha*.

In Choutuppall *santha*, separate space is allotted for trading cattle, grocery items and non-edible items. For example, in a place meant for vegetables, every trader has a fixed space. For trading cattle, sheds with facilities to keep the cattle are also available.

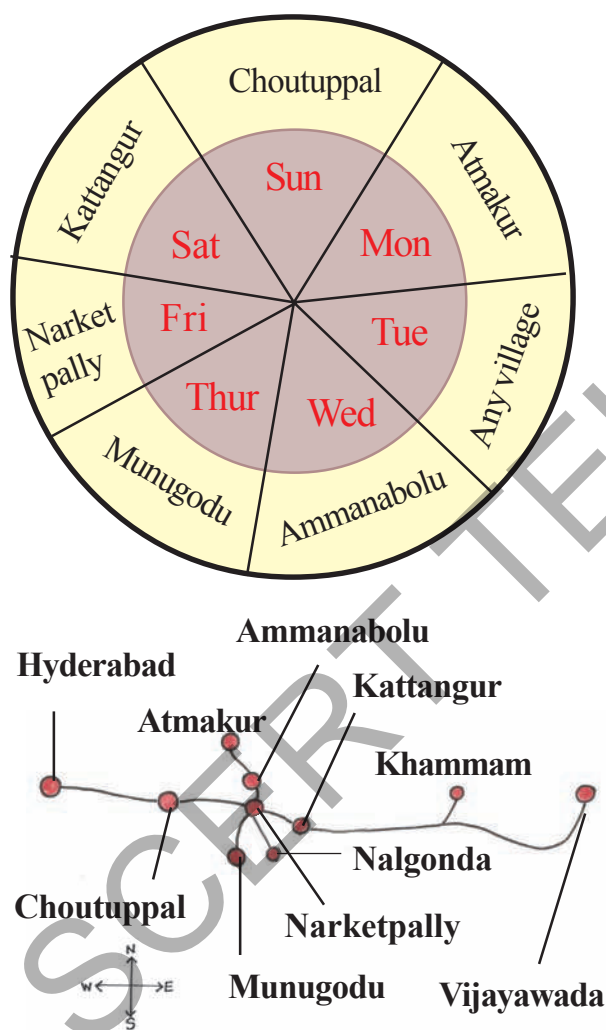
Indra, the dry chilly seller

Indra, aged 36, has been selling dry chillies in *santhas* for many years. She belongs to Kattangur village which is about



Fig. 8.2: *Santha* (Local Market)

50 kilometres from Choutuppal. She studied upto tenth class. She has a daughter and a son studying in the Govt. school. She learnt this business from her father. Her husband also does the same business. In a week, she travels to four weekly markets and to three large villages to sell dry chillies. This is her weekly itinerary:



Indra gets up early every day and after completing all her domestic chores, starts for the day's santha/village with the chilli bags.

Indra, along with other women, gets into a lorry to transport the chilli bags to the santha. She procures the dry chilli from a wholesale

trader in Khammam over phone. The whole salers comes to her village every Saturday to collect the money.

She starts selling the dry chillies around 10 a.m. and closes at 7 p.m. While selling chilli, like all other traders, Indra has to squat on the floor for a very long time, which is a strenuous job. For six days in a week, she has to travel to different places from her village. She sells chillies in her village only on Saturday. She also pays the wholesaler on that day.

Indra earns about Rs. 200-300 per day. There is no guarantee that she will get good quality chillies all the time. Since she purchases chillies by ordering over the phone, she sometimes gets low quality chilli and incurs losses.

To do this business, Indra borrowed Rs. 30,000 from a self-help group (SHG) in her village of which she is a member. She pays back her loan in installments at the rate of Rs. 1200 per month. She feels that borrowing from the self help group is far better than borrowing from moneylenders as they charge high rates of interest (Rs. 3 per hundred per month). In the self help group, she pays only 25 paise per 100 per month. This was made possible due to the government scheme of '*paavala vaddi*' for low income group.

Besides agricultural produce like chilli, a large number of industrial products like clothes, ready made goods, pots, utensils, tools, baskets, plastic items etc. are sold by small traders in the santhas. All such traders pay Rs. 10 each to the Panchayat as a tax. There are separate santhas where

cattle, sheep and goats are sold. They are brought from neighboring villages as well as far off places. Many farmers come here either to sell or buy cattle. They take the help of brokers by paying them commission.

Nearly three-fourths of the traders in santhalu are women. Selling goods in santhalu is the traditional business for many traders. This means that their families have been doing this business for many generations. Some places in santhas are reserved for a specific trade. No person of a different trade can come and set up a shop in that place. Most of the traders plan weekly cycles for their santhalu. This means that they set up shops in different santhalus once a week, following a definite plan like Indra, the dry chilli trader. They decide their routes according to their convenience.

Small traders selling agricultural goods – particularly perishables, such as fruits and vegetables, face difficulties similar to that of Gouri. Since their residences are far away from santhas, they have to sell all the goods they have purchased from the wholesale market. Otherwise, they have to carry them home paying additional transport expenses. Since they do not have storage facilities, the goods may perish and they may have to sell them at prices lower than the cost price.

Besides regular traders like Indra, farmers and vegetable growers of nearby villages also come to santhas to sell their produce directly.

In this way, santhas are an important means by which the daily needs of the people are fulfilled and a large number of small traders, labourers and transporters get their livelihood.

- ♦ Differentiate between permanent markets and Santha?
- ♦ Do you need the santhas even if there are regular markets?
- ♦ How can we make the lives of the small traders of santhas better?

Rythu Bazaar in Telangana

Most agricultural goods like grains and pulses are sold directly to the wholesale merchants. Small traders buy these goods from them to sell them to the consumers. However, there are a few markets in which the producers directly sell their goods to



Fig. 8.3: Rythu Bazar

the consumers. 'Rythu Bazaar' is one such market. We interviewed Ramagopal, a farmer in a Rythu Bazaar. Excerpts from the interview are given below.

When did you start coming to this bazaar?

I started coming to this bazaar in the year 2003. My neighbours have been coming here since from the year 2000.

Can only farmers like you sell in Rythu Bazaars?

Initially, government officers related to this bazaar came to our village. We were issued a photo identity card containing our name, address, produce, grain, extent of land etc. Only a person with a valid photo identity is allowed to enter the Rythu Bazaar to sell his/ her produce. Stalls in the bazaar are allocated to the sellers daily on a first come first serve basis. Although it is meant only for farmers, I also found one or two millers and women traders from Self Help Groups putting up their own stalls. While millers procure paddy from us, women SHG traders sell vegetables which are cultivated in our district.

Do you pay any rent to sell your produce?

No, but millers and SHG traders pay rent for their premises.

How did you start coming to Rythu Bazaar?

Earlier, I used to take my produce to a wholesale market. Since I have no control on the price, I had to sell it at the price fixed by the wholesalers. Many a times, I had to sell vegetables at throwaway prices, not even covering the expenses I incurred.

Rythu Bazaar is a big relief for farmers like me. I found that farmers like me come here from 10-15 villages. But we don't have enough space to store our vegetables.

How are prices fixed for your produce?

The price for bazaar products is fixed daily in the morning by the officers in consultation with a committee of three members set up for the purpose. The principle is that the price should be around 25 per cent more than the wholesale price and 25 per cent less than the retail price.

Do you think your customers are happy in the Rythu Bazaar?

Yes, they get not only fruits and vegetables but also many other essential edible items like pulses, tamarind, dry chillies and edible oils in the Bazaar. They get these at reasonable prices. I grow vegetables, and when I see my customers eagerly bargaining and buying, I cannot express my happiness. I get good returns for my hard work and the customers get full value for their money. If we were literate, we could have checked on the internet the prices of goods in each bazaar and sold our goods there.

Do you face any problems while using this bazaar?

Yes. Sometimes, if I come late, it is difficult to get a good space to sell my vegetables. I am left with a place in a corner only. There is insufficient space for parking our vehicles and at times, it is also risky. I do find people in the guise of farmers coming to sell vegetables in the bazaar. Also, the farmers from distant places are not able to benefit from these markets.

- ♦ Farmers are the only sellers in the Rythu Bazaar - True / False
- ♦ Who are the beneficiaries of Rythu Bazaar and why?
- ♦ What benefits do farmers get in Rythu Bazaar?
- ♦ How are prices fixed in Rythu Bazaar?

Keywords

Wholesale traders

Retail traders

Market

Santha

Rythu bazaar

Paavala vaddi

Self-Help group



Fig. 8.4: Price index - Rythu Bazar

Improve your learning

1. How are agricultural products traded?
2. List the differences between Gouri, Indra and Ramgopal on the following issues.

	Gouri	Indra	Ramagopal in Rythu Bazaar
Where do they get money for doing business?			
Where are the goods sold?			
How are prices fixed?			

3. List a few difficulties that retail traders face in their business.
4. In what ways can the retail traders also increase their income?
5. Why is it better to borrow from self - help groups rather than money lenders?
6. What are the differences and similarities between borrowing money from moneylenders, banks and self – help groups?
7. Why do you think selling through Rythu bazaars is better than selling through wholesale shops?
8. Read the paragraph “Vendors like gowri small trader become poorer”, on page 66 and comment on it.
9. With the help of your teacher, locate the places in the map of your district where weekly fairs (*Santha*) are held?
10. What is Rythu Bazaar? What are its benefits and limitations?
11. Why does panchayat or municipality collect money from traders in Chouttuppal santha?

Project :

1. Talk to different vegetable vendors in your area to understand their work, livelihood and problems. Prepare a report and share it in the class.
2. Go to a nearby santha and observe its functioning. Draw a picture of it and display it in your classroom.

Trade in Agricultural Produce

In the last chapter, we read about some aspects of retail trade - how small traders bring various products to the consumers in the villages and towns. In this chapter, we will read about some aspects of wholesale trade in paddy. It is purchased from the farmers by the rice mill owners and big traders who trade in large quantities. Let us see how this is done.

Agriculture Market Yard

Like the Rythu bazaar, the Agriculture Market Yard (AMY) is a market run by the government in which farmers can sell their produce and get paid immediately.

Chandrashekhar is a farmer from Nalgonda. This year, he had a good harvest of about 60 quintals of paddy. He has loaded his paddy bags on a tractor and brought them to Nalgonda AMY. He unloaded his bags and joined the queue for auction selling.

At about 10 a.m., the AMY committee members came and put a slip on the bags indicating the name of the farmer and the quantity of paddy in quintals. At about 11 a.m., wholesale traders and rice mill owners came to the paddy heaps and assessed the quality. Then, the committee members began the auction from the first paddy heap of a farmer. Since the Minimum Support Price (MSP) announced by the government was Rs.1080 per quintal, the committee officials began their auction from that price.

Minimum Support Price

Every year, the government announces the minimum support price for various crops like paddy and wheat, taking into consideration the cost of inputs. If no trader is willing to buy at a higher price, the government agencies like the Food Corporation of India (FCI) buy the produce from the farmer at the Minimum Support Price. In this way, the government ensure that farmers get atleast the minimum price for their produce. Of course, the farmers are free to sell their produce at higher prices.

In the auction, bids are called for the paddy being auctioned. Bids are prices at which the buyer (here, the trader) wishes to buy the produce. After a trader makes a bid, the AMY committee official counts slowly up to three. If another trader makes a higher bid before the count of three, the auction progresses until no one has a higher bid. Once the count up to three is

completed, no higher bid will be allowed.

Several traders and mill agents have crowded near Chandrashekhar's paddy. They found that his paddy was dry and had very little *thaaalu* (ill-filled grains). When the auction began the traders and rice mill agents raised the price, considering the quality of the paddy. Chandrashekhar got the highest price on that day - Rs. 1150 per quintal, offered by a big rice mill agent. Many other farmers got only Rs. 1100 per quintal for their paddy.

AMY committee officials noted down the prices bid by different traders for the paddy heaps. They went back to the office and noted down the names of the trader and slip number and informed Chandrashekhar of the maximum rate bid by the trader for his paddy. He agreed to sell and the committee members noted down the rate, quantity of paddy and the total amount to be paid by the trader on a slip and gave it to him. If a farmer is not interested in selling at the maximum price bid by the trader, he or she can wait for the next day or upto one week.

In order to buy paddy from AMY, each trader is required to pay a license fee. When paddy is purchased by them, they are



Fig. 8.5: Agriculture Market Yard (A.M.Y)

required to pay Rs. 1 for every hundred rupees of purchase as commission to the committee. Although farmers are not required to pay anything, in practice, they pay Rs.3.50 per every hundred rupees of trading towards unloading, cleaning and maintenance charges. This is deducted by the trader and paid to the AMY office.

- ♦ Do you think this practice is appropriate? How do farmers benefit from this process?

Sometimes, farmers selling in AMY have to spend Rs.10 per quintal of agricultural produce towards transport and other charges. This is higher than what they pay when they sell in their villages.

The mill agent came to Chandrashekhar, looked at the slip and paid the money deducting the AMY charges.

- ♦ Can you work out how much he would have given to Chandra shekhar?

Total quantity of Paddy

.....
quintals

Rate per quintal

Rs. per quintal

Total amount x

=

Loading and cleaning charges

Rs. 3.50 x

Total amount paid to Chandrashekhar

: - =

- ♦ What do you think are the advantages and disadvantages of selling in AMY's?

Farmers like Chandrashekhar, who have sufficient quantity, prefer to sell their produce at the Agriculture Market Yards. Normally, there is neither a delay in payment nor deduction of charges for on-the-spot payment as in the village. Since the sale is done by open auction, farmers have a chance of getting the best price possible. In some AMYs, corrupt officials and traders join hands to give lower prices to the farmers but this may not necessarily happen everywhere.

There are nearly 100 AMYs in Telangana. Nearly one-fourth of farm products are traded in them. Where do you think the rest is sold? Why don't those farmers come to the AMYs? Come, let us find out.

Selling to a Rice Miller

It was paddy harvesting season and Mallaiah from Venkatapuram village was waiting for the gumastha (clerk) of Chandulal, the owner of a rice mill. Mallaiah was able to harvest only 14 quintals of paddy from his one acre of irrigated land. His yield was low as he was not able to use the required amount of fertilizers and pesticides.

The gumastha sent by Chandulal came with a tractor and checked if the paddy was dry and if there was too much *thaalu*. The gumastha got the paddy bags loaded on his tractor and went to get paddy bags from other such farmers.

In the rice mill, Mallaiah's paddy bags were weighed. It was 14 quintals. Gumastha took a handful of sample paddy and showed it to Chandulal. Chandulal fixed the price of paddy at Rs.950 per quintal on the basis

వ్యవసాయ మార్కెట్ కమిటీ, చాటుప్పల్
జిల్లా, యాదాద్రి
మార్కెట్ అనుమతి పత్రము

నెం. 3295 తేది.....

1. రైతు పేరుతో.....
2. గ్రామము.....మండలం.....
3. పట్టాదారు పాస్ పుస్తకం నెం.....చిన్నదం.....
4. మార్కెట్ కు తీసుకురాబడిన "ధాన్యము" యొక్క పరిమాణము (ఇన్ బాల్స్).....
5. మార్కెట్ కు తీసుకురావలసిన తేది.....

కార్యదర్శి

సూచనలు :

1. అనుమతి పత్రము పొందుటకు పట్టాదారు పాస్ పుస్తకము లేక సంబంధిత మండలం రెవెన్యూ అధికారిచే దృవీకరణ పత్రం కావ్యవస్థి వద్ద చాటుబు చేయవలెను.
2. రైతులు మార్కెట్ కు ధాన్యము తీసుకొని వచ్చినప్పుడు వారి వెంట తప్పనిసరిగా ఈ పత్రము తీసుకొని రావలెను.
3. మధ్య దళారీలు రైతుల పేరుతో మార్కెట్ కు ధాన్యమును తెచ్చిన యెడల వారి యొక్క ధాన్యమును ప్రభుత్వము స్వాధీన పర్చుకొని వారిపై చట్టకీర్త్యా తగు చర్యలు చేపట్టబడును.
4. రైతులు వారు తెచ్చిన ధాన్యమును అమ్మిన తరువాత తక్కువ వట్లీ మరియు అనుమతి పత్రము చూపి వారి పట్టాదారు పాస్ పుస్తకమును వామన పొందగలరు.
5. అనుమతిపొందిన తేదికి ముందుగాని తరువాత గాని వచ్చిన యెడల అట్టి ధాన్యము మార్కెట్ లోనికి అనుమతించబడదు.
6. రైతులు వారి ధాన్యమును కళ్ళముల వద్దనే ఖత్రపరిచి మార్కెట్ కు తీసుకొని వచ్చినచో మంచి ధర లభించును.

Fig. 8.6: Model Receipt-Market Committee

of its dryness and *thaalu*. This was much below Rs.1100, the price at the Agriculture Market Yard. Since Mallaiah needed money urgently, he asked for immediate payment. For that, Chandulal reduced Rs.1.50 for every hundred rupees (i.e. Rs.14.25 per quintal). This is the procedure followed by every rice miller and paddy trader in Nalgonda.

Let us calculate Mallaiah's income from the sale of paddy.

Weight of paddy = 14 quintals

Price of paddy fixed by the rice miller
= Rs.950 per quintal

Price of 14 quintals
= Rs.950 x 14 = Rs.13,300

Deduction for immediate payment
= Rs. 14.25 x 14 = Rs.200

Total payment due
= 13,300 – 200 = Rs.13,100/-

(If Mallaiah could wait for 15 days, on-the-spot commission would not be deducted.)

- ♦ Can you guess why Mallaiah was selling the paddy at a lower price to Chandulal? Discuss the possible reasons in the class before reading further.

Four months back, Mallaiah borrowed Rs. 5000 from Chandulal on the condition that the paddy must be sold to him at the price fixed by him. Many small farmers borrowed money from Chandulal on similar terms. Hence, they are forced to sell their produce to him at the price fixed by him. So, instead of paying Mallaiah the amount due to him,

Chandulal deducted the amount borrowed along with the interest. Let us see how much Mallaiah finally got.

Amount of money borrowed by

Mallaiah = Rs. 5000

Interest for 4 months

= Rs. 400

Total deductions

= Rs. 5400

Amount due for paddy

= Rs. 13,100

Total amount paid (Rs13,100 - 5400)

= Rs. 7700

(Note: All calculations are rounded to rupee)



Fig. 8.7: Paddy being loaded to be taken to rice mill

Farmers like Mallaiah in Telangana borrow from rice mill owners and other moneylenders or rich landlords and are forced to sell their produce to them at a lower price. They may also be cheated in weighing and rating of the paddy. Rice mill owners by lending money to the farmers are not only assured of raw materials for their mills but also get it at a price fixed by them.

- ♦ How much would Mallaiah have got if he had been able to sell his paddy in the Agriculture Market Yard?
- ♦ How much money did he lose by selling his produce to the miller?
- ♦ What difference would it have made if he had been able to borrow the money from a bank instead of the miller?
- ♦ How much more would Mallaiah have earned if he had borrowed from a government bank?

Big farmers or landlords of Venkatapuram lend money to small farmers and purchase paddy from them. They sell their own harvest and all that is procured from other farmers in AMYs, town-based wholesale paddy merchants or in rice mills. Farmers are indebted to landlords in many ways – they borrow money, seed, tractors, even water. As such, they are bound to sell paddy to the landlords and accept whatever they pay. Those who give loans to farmers look at the harvest as a security for the loan as they can purchase the produce from the farmers and recover the loan amount.

Tragically, in this way, the farmers are not able to sell their produce at the highest price possible.

- ♦ Compare and contrast the differences between a landlord and a rice mill owner in procuring paddy from Venkatapuram farmers.

Selling through Brokers

Shanti is another farmer residing in Venkatapuram. She began to manage her farm after her husband passed away. She is a member of the local self help group (SHG) from which she borrowed Rs.20,000 for cultivation purpose. Her harvest from her 1.5 acres was 14 quintals. She wanted to sell 7 quintals and keep the rest for household consumption.

The next day, a broker of a big rice mill in Nalgonda came to the village to buy paddy and approached the farmers. He saw Shanti's paddy and after much bargaining offered her Rs.1000 per quintal. He weighed the bags and said that it was 6.5 quintals. Shanti was shocked because when she weighed them, it was 7 quintals. So, she insisted on weighing it properly in the presence of other SHG members. This time, it turned out to be 7 quintals! The broker took the paddy and promised to pay the money in 15 days. Two weeks later, he paid her Rs. 6825. He had deducted Rs.25 per quintal as his brokerage or commission.

We met Shanti and asked her some questions. "You have not borrowed from any trader. Why don't you sell in the AMY?"

“To go to Nalgonda, I have to pay the tractor rent and loading and unloading charges. The higher price I get in AMY will not cover the transport cost. Moreover, my son or I will have to spare one or two days for this. We have very little to sell. Only farmers with a lot of paddy go to Nalgonda,” Shanti replied.

“Why don’t you ask for a higher price as most farmers sell at Rs.1100-1150 in AMY and in rice mills?”

“These brokers don’t pay such high prices. We sell their produce from home to avoid the trouble of running around to sell.

Brokers mediate between farmers and town-based big millers or wholesale paddy merchants. They procure paddy in small quantities from farmers like Shanti. They don’t have permanent shops or godowns for doing their business. They visit each farmer during harvest season and negotiate with them to buy paddy. They collect sufficient amount of paddy and inform the wholesale traders/ rice mill owners who then send money and vehicles for transportation. They charge commission from both the farmers and the millers. Some of them function as moneylenders too, so they deduct the borrowed amount with interest while paying the farmers as we have seen in the case of Chandulal.

- ♦ Mallaiah was able to get only about Rs.935 per quintal whereas Shanti was able to get about Rs.975 per quintal. Why is it so?

Trading paddy in Telangana

Paddy cultivated in Telangana is mostly sold in the market and farmers keep only a small share for their own use. A considerable amount of paddy produced by small farmers like Shanti is used for their own consumption. Large farmers sell most of their produce in the markets.

Telangana farmers sell nearly three-fourths of their harvest within the village and one-fourths in AMY. Big farmers sell their harvest in AMYs. They own vehicles like tractors which reduce their transportation expenses.

In villages, many kinds of traders – such as landlords, brokers and small rice mill owners procure paddy. On most occasions, small farmers like Mallaiah and Chandrashekhar are bound to sell only to these traders as they borrow money from them.

Indebtedness and selling paddy

We saw that small and medium farmers have to borrow money for agriculture, especially to purchase seeds, fertilizers, pesticides and irrigation facilities. Since it is difficult for them to get loans from banks, they are forced to borrow from moneylenders, traders, millers etc. Once a farmer borrows from them, he or she has no option but to sell the produce only to them at the prices they offer. Paddy traders not only pay lower prices but also cheat in weighing. Moreover, they take commissions of various kinds. Many of these farmers get delayed payments. Since

these traders and landlords lend money in desperate times, farmers have to sell their paddy to them.

- ♦ Think of the different ways that could ensure best prices to farmers for their produce. Discuss the advantages and disadvantages of them in the class.

Keywords

Agriculture Market Yard

Minimum Support Price

Food Corporation of India

Merchants

Commission agent

Improve your learning

1. Make a list of the different paddy traders operating in Venkatapuram and the prices they offer for paddy per quintal.
2. Who purchases paddy in your place? Collect details about how prices are fixed and what prices are paid by different traders and landlords.
3. Compare the cost of one quintal of rice and one quintal of paddy. Find out the reasons for the difference (1 quintal = 100 kilograms).
4. Do you think it is necessary for the government to fix a single price for paddy?
5. In what ways do you think the farmers benefit from Self Help Groups?
6. Read the para under the title 'Indebtedness and selling paddy' on pages 78 and 79 and comment on it.
7. Imagine a situation where there is no AMY near by your village. What challenges will the farmers face in this situation?

Project:

1. A few students can be taken to a nearby AMY. After observing what happens there, a role play can be enacted to illustrate how traders bid prices for paddy and other produce.
2. Write the script for a small play to explain the plight of small farmers of Telangana.