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## Innovative market mechanism

**Bankey Bihari, Lakhan Singh, Rajesh Bishnoi and Suresh Kumar**

*In remote hilly regions of the country, small land holders are still not able to make a remunerative living out of farming owing to poor access to markets. Farmers in the remote hilly region of Chakrata area in Dehradun district of Uttarakhand have evolved a unique type of localized marketing mechanism, which is successful and sustainable.*



Utility vehicle used for marketing vegetables

In Uttarakhand hills, about more than 80% farming community possess marginal and small land holdings. Of the total geographical area, only 12% of the land is under cultivation and more than half of the land is under rainfed conditions. Untimely rains and its uneven distribution is a big threat for hill farming. Situation in the winter and summer becomes more serious where water is available only through small springs with poor discharge. Water available through these small sources is used for domestic purpose as well as for irrigating field crops.

As the climatic conditions are favourable throughout the year, farmers even with their limited resources, cultivate off-season vegetables. They often produce in small quantities ranging from 5-20 kg in case of green vegetables like tomato, shimla chilli, green chilli, ladies finger & leafy vegetables and 20-100 kg in case of other vegetables like potato, ginger, colocasia, green pea, bottle guards, pumpkins, radish and carrot. As transporting from the hilly area to a nearby mandi is also expensive, farmers tend to sell the produce locally, receiving low prices. Sometimes, in remote hilly areas, even local markets are also not available. In such situations, farmers cannot even think to go for commercial cultivation.

Poor access to markets has been restricting farmers in hilly regions in moving towards commercial cultivation of vegetables.

Since generations, affluent farmers in the Jaunsar region in Dehradun district, Uttarakhand and adjoining areas in Sirmour in Himanchal Pradesh, have their family members or village as whole sale agents in the nearest mandi. Being well known to them, farmers relied on these agents for sale of farm produce, purchase of inputs and, if required, also for lending money in the time of crisis. Earlier, farmers were transporting the farm produce from village to mandi using donkeys, as the condition of village roads was very bad. Village communities walked long distances to reach the market, even to meet out their petty needs. Sale of farm produce was a distant dream for the small and marginal farmers.



Utility vehicle drivers are the catalysts for the innovative market mechanism

Since last 20-25 years, with improved road connectivity, every village in the area got connected through 2-3 utility vehicles plying to and from the village, daily. On an average, daily, about 160-170 utility vehicles come to mandi at Sahiya, Vikasnagar, Dehradun (Uttarakhand) and Nahan (Himanchal Pradesh). It comes from the village in the forenoon and returns to the village in the afternoon. Owing to these vehicles, mobility of farmers and their exposure to the market improved, significantly.

### Innovative market mechanism



Wholesale agents in the market weigh the produce and provide receipts

With improved connectivity, farmers explored the idea of using the utility vehicles for marketing their vegetables in the mandi. The process they follow is as follows. Farmers first get to know the prevailing price of different vegetables in the mandi, by calling the wholesale agents over phone. Based on the market price, they decide which vegetables to sell and harvest accordingly. After harvesting they pack vegetables into different sized bags, not exceeding one quintal. Each bag is labelled with name of the farmer and also name of whole sale agent to whom it is to be given. Farmers who have more number of bags, travel to the mandi with their produce in the utility vehicle. Those who have less, handover the bags to the utility vehicle driver.

After reaching the mandi, the driver will hand over the bags to the whole sale agent. After weighing the bags/packets, the whole sale agent will provide a receipt mentioning weight and amount to be paid, to the utility driver. This receipt is handed over by the driver to the concerned farmer in his village. He also collects some charge from the farmer, for transporting the bags. For lesser produce (<20 kgs), no carrying charges are collected by the driver.



Farmers keep all their receipts and once in a week or a month, they visit mandi and collect all the dues from the whole sale agent.

If required, utility divers also purchase and bring other household items from market for the farmers. For small things, farmers need not pay anything but for big/heavy items, they have to pay the carrying charges. Really, this innovation is a boon to the farmers in the remote hilly areas. They get the things done

without travelling to the mandi/market so frequently, saving their time and expenses.



Utility vehicles improved the mobility of farmers and enhanced their exposure to markets

### Conclusion

The innovative market mechanism has come as a boon to the farmers in hilly areas. This mechanism has been working well saving farmers from visiting mandis often, thus saving on travel costs too. Uniqueness of the mechanism lies in the fact that along with big farmers, it also supports small and marginal resource poor farmers with small produce. With no great technology, the mechanism has been successful solely owing to the faith that farmers, drivers and wholesale agents have on each other. Its time to look for such simple innovative practices that make farmers lives easy and remunerative.

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Twenty five years ago, in 1982, AME was set up in The Netherlands, in response to worldwide concerns regarding environmental degradation, in the wake of the Green Revolution. It migrated to Pondicherry, India, in 1986, intensifying its hands-on training in sustainable agriculture. With a growing realization of the importance of rehabilitating the resource poor farmers in fragile dry farming situations, it moved on to the Deccan Plateau, based in Bangalore, in 1994. AME was transformed into a charitable Indian Trust, as AME Foundation, in 2001.

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