



Wholesale counter for vegetable sale by Rameshwar Farmer Producer Company Limited providing a more remunerative channel to farmers

The company established a wholesale outlet at Rajatalab *mandi*, Varanasi to facilitate the sale of farmers' vegetable produce. The farmers before the establishment of the company used to sell vegetables to the local middlemen/local mandi or wholesalers at big mandis. At the big mandis the farmers needed to pay 6% as commission to the wholesalers to sell vegetables. The company decided to charge 5% as the commission for selling vegetables and at the end of every month 2% of the commission will be returned to the shareholder farmers as a loyalty bonus. Thus effectively, the farmers paid a commission of just 3% as against 6% charged by wholesalers. The other farmers who are not the shareholders of the company do not receive the loyalty bonus of 2% but they still benefit as they pay only 5% as commission.

Since January 2016, a total of 200 shareholders of the FPO have been supplying vegetables regularly to the wholesale counter owned by the FPO. Additionally, about 50 non-shareholders from other villages also sell vegetables through the wholesale counter. Major vegetables supplied by farmers include cabbage, cauliflower, radish, pea, brinjal, tomato, cucumber, bottle gourd, lady finger and other seasonal vegetables. The FPO has appointed one counter Sales Executive and 1 supporting staff on a monthly remuneration for managing the operations. Electronic weighing machines are used by the FPO to weigh produce whereas other wholesalers in the mandi use traditional manual weighing system, providing a scope for under weighing of farmers' produce. There is a common practice of under weighing of produce to the extent of 2-5%. The vegetables are transported to the counter in a common vehicle from the villages and only one farmer visit the mandi and returns with the sale amount. This way, the rest of the farmers save their time. The farmers have hired a permanent vehicle to carry vegetables to the mandi and the transport cost has reduced by 20%.

During 13 months, the wholesale counter has sold varieties of vegetables worth Rs25.50 lakhs. The average value of vegetables sold is Rs6 500 per day with 15-20 quintal of vegetables.

Picture1

Wholesale counter at Rajatalab mandi, Varanasi

