



THE EFFECTS OF SUPERMARKETS ON THE INCOME OF SMALL FARMERS IN INDIA

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Abstract:

India is emerging as the fastest growing economy in the world. We know that India has reached the number one place in the world's population in the year 2024. Around 54.6% of India's population is engaged in the agricultural activities directly. These are the farmers, who produce all food grains, vegetables and fulfil the need of food in India. 82% of the farmers are still marginal farmers. Some farmers sell their produce to the supermarkets. The Supermarket system has become more popular in the big cities in India since year 2000. But 60% of India's population still lives in the rural India. They buy the food products from the retail corner shops or they produce for their own needs. The present research highlights the impact of supermarkets on the earnings of the small farmers in India. The analysis revealed that supermarket farmers make more money per hector than traditional farmers.

Key Words : marginal farmers. Supermarket, net earnings, small farmers, Hypermarkets

Introduction:

The food system in the developing country as India, is changing rapidly. With increase in the cities, the number of population in the urban area is also increasing. The lack of space in the cities and the price of land is reaching to the sky. Small retailers can't stand in the competition with the big players. Supermarkets influence supply chains and the way agricultural products are sourced from farmers especially for the procurement of fresh fruits and vegetables. Supermarkets often contract farmers directly to ensure consistent and high-quality supply.

One important question is whether small farmers benefit from supermarket contracts. If the farmers are benefited then the question is ,How much farmers are benefited. The benefited percentage of farmers is very low and the percentage of benefited small farmers is the lowest. Around 70% of the farmers have annual per caput income less than Rs.15,000. Only 10% of them earn more than Rs.30,000. Only 7% of the marginal farmers fall in the high-income class i.e. income greater than Rs. 30000.

Objectives of the Study :

- To find the effect of supermarkets on the farmers.
- To find the reach of supermarkets in India.
- To find percentage of small farmers in India.
- To find whether small farmers are benefited by the presence of supermarkets.



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- To know the various products which add income to the farmers.

Research Methodology :

The research paper is an attempt of exploratory research, based on the secondary data sourced from journals, magazines, articles and media reports. Looking into requirements of the objectives of the study the research design employed for the study is of descriptive type. Keeping in view of the set objectives, this research design was adopted to have greater accuracy and in depth analysis of the research study.

Data Analysis Tools :

The top 10 supermarkets in India are the following:

1. Big Bazaar
2. DMart
3. Star Bazar
4. Hypercity
5. Reliance Fresh
6. Spar
7. Spencer's Retail
8. More Retail
9. Food world
10. Reliance SMART

The main Agricultural and other related produce by farmers sold in the supermarkets in India are:

1. Rice
2. Wheat
3. Spices
4. Oils
5. Nuts
6. Vegetables
7. Fruits
8. Spices
9. Cotton
10. Eggs
11. meat
12. Milk

Descriptive statistics:

Categorization of Farmers:

Sr. No.	Category	Size of Land holding
1.	Marginal	Below 1.00 hectare



2.	Small	1.00-2.00 hectare
3.	Semi- Medium	2.00-4.00 hectare
4.	Medium	4.00-10.00 hectare
5.	Large	10.00 hectare and above

Government Initiatives:

To improve the condition of Small and Marginal farmers and to double the income of farmers Government is realigning its interventions from production-centric approach to farmers' income-centric initiatives, with focus on better and new technological solutions.

These include implementation of Following schemes :

- 1) Pradhan Mantri Krishi Sinchai Yojana (PMKSY)
- 2) Paramparagat Krishi Vikas Yojana (PKVY)
- 3) Soil Health Card, Neem Coated Urea,
- 4) Rainfed Area Development under National Mission for Sustainable Agriculture (NMSA)
- 5) Pradhan Mantri Fasal Bima Yojana (PMFBY)
- 6) National Agriculture Market scheme (e-NAM)
- 7) National Food Security Mission (NFSM)
- 8) National Mission on Oilseeds & Oilpalm (NMOOP)
- 9) Mission for Integrated Development of Horticulture (MIDH)
- 10) Rashtriya Krishi Vikas Yojana (RKVY)
- 11) National Mission on Agriculture Extension & Technology (NMAET)

In addition, farmers are provided information through Focused Publicity Campaigns, Kisan Call Centres (KCCs), Agri-Clinics and Agri-Business Centres (ACABC) of entrepreneurs, Agri Fairs and exhibitions, Kisan SMS Portal etc.

The system of Supermarkets in India :

In India, there are 12 million grocery stores, which makes it one of the most multifaceted food retail ecosystems worldwide. Urban and rural regions of India remain divided in the areas of development momentum for food retail. There was a nationwide growth in the number of grocery stores and supermarket chains in India due to the development of today's retail. While some companies have steadily increased store counts to strengthen their position in this industry, others have partnered with Kiranas to improve their infrastructure.. In 2023, the online grocery store industry in India was worth more than 669 billion rupees. However, the online grocery market in India accounts for less than 1% of the market, while stores make up over 4%.

Top supermarkets in India are expected to continue their upward trajectory, driven by urbanization, rising disposable incomes, and an increasing preference for organized retail. Notable trends in 2024 include the rapid adoption of e-commerce, with major retailers investing heavily in digital platforms to enhance customer convenience. Additionally, there's a



growing emphasis on sustainability, with many supermarkets adopting eco-friendly practices and promoting organic products.

Sr.No.	Name of Supermarket chain	No. of outlets
1	Reliance Fresh	18336
2	D Mart	365
3	Big Bazar	300
4	More Supermarket	878
5	Spencer's Retail	120
6	Star Bazar	66
7	Hyper city	20
8	Easy Day	500
9	Patanjali	6000
10	canteen Store Department	4000
11	Future Retail	1500
12	Vishal Mega Mart	400
13	Nilgiri's	160
14	Heritage Fresh	150
15	24 Seven	145
16	Raatnadeep Supermarket	80
17	Food World	60
18	Nature's Basket	35
19	Metro Cash & Carry	30
20	Spar	25
21	Lulu Hypermarket	10
	Total	33180

The Agriculture In India Market size is estimated at USD 372.94 billion in 2024, And its revenue percentage for supermarket is merely 4% . Specialized vegetable farms and growers equipped with irrigation are more likely to sell to modern retail stores. Though selling to supermarkets increases the income of small farmers, not all are equipped to take advantage of the opportunity.

Results and discussion :

- 1) Supermarkets and Hypermarkets are increasing the income of farmers in India but the benefit is not reaching to the small farmers as they don't have the sufficient volume of produce to sell to the supermarkets.
- 2) Around 54.6 % of farmers are marginal farmers and small farmers so they don't reach to sell to the supermarkets.
- 3) The supermarkets use the strategy to sell their products at low price to increase the revenue. So they don't offer high price to the farmers.



4) The number of supermarkets in India is around 50000 which is not sufficient to impact the income of farmers in India.

5) Government is trying to improve the financial condition of farmers by implementing schemes to benefit small farmers.

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