



Role of market information in improving market access of women farmers in Farmer Producer Organizations (FPOs) in Karimnagar District of Telangana

Ramyasri*, R R Kushwaha, Parkhipriyadarshi, Gunika

Department of Agricultural Economics, Acharya Narendra Deva University of Agriculture and Technology, Ayodhya, Uttar Pradesh, India

Corresponding Author: Ramyasri

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Abstract

Market information asymmetry presents a major barrier to smallholder women farmers in developing economies. Collective institutional arrangements, particularly Farmer Producer Organizations (FPOs), serve as a vital mechanism to bridge this information gap. This empirical study investigates the impact of market information delivered through FPOs on enhancing market access for women farmers. Based on a sample of 120 women farmers across Huzurabad and Veenavanka mandals in Karimnagar district, Telangana, the study employs Multiple Linear Regression (OLS) to analyze the key drivers of market access. The regression analysis demonstrates that market information is the single largest determinant of market access ($\beta = 0.67$, $p < 0.001$), leading an overall model explaining 62% of the variance in the Market Access Index ($R^2 = 0.62$, $F = 23.09$). The study further explores institutional delivery mechanisms, gender-specific market barriers, and digital information integration pathways. Strategic interventions focusing on digital market systems, price transparency, and direct market linkages are recommended.

Keywords: Market information, market access index, women farmers, Farmer Producer organizations (FPOs), Karimnagar, economic empowerment, value chain integration

Introduction

Women constitute approximately 64.4% of India's agricultural workforce. However, structural constraints including limited land ownership (<15%), restricted physical mobility, inadequate credit access, and severe market information asymmetry persistently relegate women farmers to secondary roles in agricultural value chains. Information asymmetry leaves rural women vulnerable to local intermediaries and distress sales. To address these market failures, the Government of India and state agencies have promoted Farmer Producer Organizations (FPOs) as collective institutions. FPOs aggregate produce, lower transaction costs, facilitate bulk input purchases, and deliver critical market intelligence to smallholders. In Telangana, 379 Women FPOs are registered, with Karimnagar district hosting 5 exclusively women led FPOs across the blocks of Shankarapatnam, Veenavanka, Ellanthakunta, Gangadhara, and Thimmapur. While the broader impacts of FPOs are documented, there is a need to isolate the specific role of market information in driving market access outcomes for women members. Market information encompasses real time mandi prices, buyer demand forecasts, quality specification standards, and alternative marketing channels. Access to timely information changes the bargaining position of women farmers, enabling them to shift from farmgate distress sales to structured market participation. This paper evaluates how access to timely market information through FPOs influences market access among women farmers in Karimnagar district, Telangana.

Theoretical Framework & Institutional Dynamics

1. Information Asymmetry in Agricultural Value Chains

In smallholder agriculture, information asymmetry creates a principal agent problem between rural producers and local commission agents (traders). Women farmers face an aggravated form of this asymmetry due to limited access to public places, markets, and mobile technology. FPOs act as information intermediaries that reduce transaction costs and mitigate adverse selection by providing accurate, decentralized price discovery.

2. Gender-Specific Market Dynamics

Women producers face distinct institutional barriers compared to male counterparts:

Mobility Restrictions: Limited freedom of movement restricts physical visits to regulated APMC mandis.

Scale Constraints: Smaller lot sizes increase transport costs per unit.

Information Disadvantage: Reliance on word of mouth or trader quoted rates rather than official market channels.

Through FPOs, information is aggregated and shared collectively, decoupling market participation from individual physical mobility restrictions.

Methodology

1. Study Area and Sampling

The research was conducted in Karimnagar district, Telangana, leveraging a purposive sampling design. Two mandals – Huzurabad and Veenavanka were selected to capture regional variations. A total of 10 villages (5 per block) were sampled, yielding 120 women farmer

respondents comprising 60 active FPO members and 60 non-members for comparative baseline evaluation.

2. Market Access Index (MAI) & Multiple Linear Regression

A Market Access Index (MAI) was constructed across key qualitative market participation indicators (scored binarily: 1 = Yes, 0 = No). The comparative MAI score served as the dependent variable in an Ordinary Least Squares (OLS) Multiple Linear Regression model:

$$Y_i = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \beta_8 X_8 + \epsilon_i$$

Where:

Y_i = Market Access Inde3x (MAI) score

X_1 = Mode of sale

X_2 = Price Realization

X_3 = Market Information

X_4 = Collective Marketing

X_5 = Storage Facility

X_6 = Transportation Facility

X_7 = Reduced Middlemen Dependence

X_8 = Other Support Services

ϵ_i = Random Error Term

Results and Discussion

1. Determinants of Market Access:

The Pivotal Role of Market Information

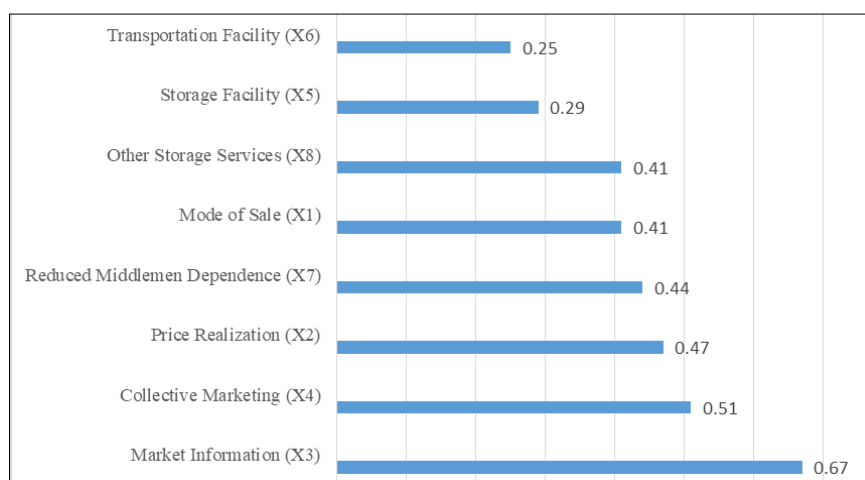
The OLS regression model demonstrated robust explanatory power, explaining 62% of the variance in the Market Access index ($R^2 = 0.62\%$, Adjusted $R^2 = 0.59$). The overall model was statistically significant [$F(8,111) = 23.09$, $p = 1.90 \times 10^{-20}$]

Determinants of Market Access Index (MAI)

Table 1: OLS Regression Results

S. No	Variable	Coefficient (β)	Standard Error	P-value	Significance
1.	Intercept	2.17	0.19	3.74×10^{-20}	$p < 0.01$
2.	Mode of sale (X_1)	0.41	0.10	3.49×10^{-5}	$p < 0.01$
3.	Price Realization (X_2)	0.47	0.09	2.30×10^{-6}	$p < 0.01$
4.	Market Information (X_3)	0.67	0.09	5.34×10^{-11}	$p < 0.01$
5.	Collective Marketing (X_4)	0.51	0.09	2.98×10^{-7}	$p < 0.01$
6.	Storage Facility (X_5)	0.29	0.12	0.0100	$p < 0.05$
7.	Transportation (X_6)	0.25	0.12	0.0400	$p < 0.05$
8.	Reduced Middlemen Dependence (X_7)	0.44	0.09	5.09×10^{-6}	$p < 0.01$
9.	Other Support Services (X_8)	0.41	0.09	1.60×10^{-5}	$p < 0.01$

Relative Impact of Determinants on Market Access Index (Beta coefficients)



Market Information

Recorded the highest standardized regression coefficient ($\beta = 0.6$, $p = 5.34 \times 10^{-11}$) among all market factors. Access to timely price discovery, local mandi updates, and demand forecasts enables women farmers to make informed decisions regarding harvest timing and channel selection. This reduces information asymmetry and weakens the spatial monopoly held by village traders.

Collective Marketing

($\beta = 0.51$, $p = 2.98 \times 10^{-7}$) and Price Realization ($\beta = 0.47$, $p = 2.30 \times 10^{-6}$) emerged as the second and third most significant determinants, confirming that intelligence must be paired with aggregation to secure fair prices.

2. Channels of Market information Delivery in FPOs

Field observations indicate that FPOs utilize three main channels to disseminate market information:

Table 2: Information Channels and Their Efficiency

S. No.	Information Channel	Frequency of Access	Target Information Type	Perceived Effectiveness
1.	WhatsApp Groups & SMS Alerts	Daily / Real time	Mandi price trends, weather updates	Very High
2.	FPO Centre Display	Weekly	Procurement rates, input prices	High
3.	Peer to Peer Meetings	Bi-weekly	Buyer quality requirements, sales timing	Moderate

Challenges in Scaling Digital Market Information

While market information significantly improves market access, several institutional and technical bottlenecks impede its full potential:

1. **Digital Literacy Divide:** Older women farmers often experience lower digital literacy, limiting direct usage of smartphone apps without household mediation.
2. **Lag in Data Updates:** Local mandis do not always update digital price boards in real time, leading to price discrepancies.
3. **Infrastructure Deficits:** Intermittent mobile connectivity in interior rural villages delays time sensitive market alerts.

Conclusion and Policy Implications

Conclusion

This study demonstrates that market information serves as a key catalyst in translating collective action into measurable market access growth for women farmers. In Karimnagar district, Telangana, FPOs provide smallholder women with the organizational foundation required to aggregate produce and access market intelligence. Access to market information significantly increases the Market Access Index ($\beta = 0.67$). Addressing information gaps directly empowers smallholders to negotiate better terms, select optimal sales channels, and integrate effectively into agricultural value chains.

Strategic Policy Information Systems

1. **Digital Market Information Systems:** Establish SMS- and WhatsApp-based real-time market price update networks and digital kiosks at village level FPO collection points, supported by state agricultural marketing boards.
2. **Direct Market & e-NAM Linkages:** Facilitate direct institutional integration between women-led FPOs, Agricultural Produce Market Committees (APMCs), national e-NAM platforms, and organized retail buyers bypass multilayered intermediary networks.
3. **Digital Capacity Building:** Conduct structured digital literacy workshops tailored for women FPO directors and members to enable direct interaction with market platforms.
4. **Targeted Financial & Infrastructure Interventions:** Expand collateral free working capital lines through NABARD and SFAC specifically tailored for women FPOs, alongside local primary processing and storage support.

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