

Original Research Article

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## Awareness and Perception of Producers' (Farmers'), Retailers' and Consumers' Towards Implementation of Foreign Direct Investment in Agricultural Retail Sector

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### ABSTRACT

#### Keywords

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This study was conducted to create awareness towards FDI in agricultural retail sector. The study was conducted in two districts of Haryana state namely, Hisar and Sonapat and a total no. of two hundred forty respondents were selected and interviewed with the help of well-structured schedule. The study revealed that majority of the respondents were of middle age group (36-50 years), educated up to post graduate, belonged to a nuclear family up to five members, performed farming and other than farming had land holding up to 5 acres. The findings revealed that the overall awareness towards FDI in agricultural retail sector among the producers (20.06%), retailers (22.09%) and consumers (23.45%) were found low aware as per their responses and the existing perception level of producers about implementation of FDI in agricultural retail sector was found from the study that 38.33 percent of the respondents had agreed, whereas 50.00 per cent were undecided followed by 11.67 per cent had disagreed the studies showed that 35.00 percent of the respondents had agreed, while majority (61.00%) of the respondents were undecided and only 03.33 percent had disagreed and 41.66 per cent of the consumers had agreed, while half of the consumers (50.00 %) were undecided and only 08.33 per cent had disagreed.

### Introduction

Agriculture is the world's most important and oldest occupation having a history of about 11,000 years. It is believed that agriculture started in India about 4500 years ago. As we all know that India is agriculture based country and most of the people are directly or indirectly related to agriculture. So, agriculture is the backbone of Indian economy. Worldwide India ranks second in

farm output today. Agriculture and allied sectors like forestry, sericulture and fisheries accounted for 17.32 percent of the GDP in 2016-17, with about 50 percent of the total workforce. India's GDP is steadily declining with the country's broad-based economic growth. Still, agriculture is the broadest economic sector and plays a significant role in the overall socio-economic development of India. Agriculture derives its importance from the fact that it has vital supply and demand

associations with the manufacturing sector. Agriculture not only contributes to the national income but also provides livelihood to about 2/3rd of the population of the country.

Traditionally, India is an agrarian country wherein food farmers maintain sufficiency by continuously engaging themselves in agriculture irrespective of fair rewards for their efforts as well as Indian farming is naturally one of the riskiest economic activities. Agricultural production is unstable because of its total dependence on the weather and natural biological uncertainties in managing crops.

In our country farmers are still kept on tenterhook, not knowing how to manage their economy, except to play it by years through a variety of changes like virtual collapse of rural credit in organized sector, especially for small and marginal farmers, continuous increase of input cost and stagnant crop price, profit potential of agricultural sector has declined substantially (Gupta, 2005).

Today, an Indian farmer gets only one-third of what the end-consumer pays for his produce. In times of bumper harvests and distress selling, he gets just a sixth part only for his produce. If production is good then there is a surplus of agricultural produce and prices fall. When there is crop failure, farmers hardly get any compensation in terms of the higher price of crops.

Present agriculture scenario is, farmer produces more produce according to the country population consumption need or surplus, but lacking of facilities like storage and warehousing, good quality hybrid seeds, better quality farm inputs for control of pests and diseases, post-harvest technologies, food packaging, value addition and many more that lead to millions tone of food go wasted every year.

Foreign Direct Investment has been shown to play an important role in promoting economic growth, raising a country's technological level, and creating new employment in developing countries. FDI works as a mean of integrating developing countries into the global marketplace and increasing the capital available for investment, thus leading to increased economic growth needed to reduce poverty and raise living standards.

## **Materials and Methods**

The study was undertaken in Haryana state with the main objective of the study was to find out the awareness and perception level of the producers, as well as retailers in conventional agricultural markets. Two districts namely, Sonipat and Hisar were selected purposively, because one is in the proximity of NCR region and other district is located far from NCR region. Two blocks were selected randomly from each of two districts. 15 producers and 15 retailers were selected from each of four blocks. Thus, a total number of 120 producers and retailers were selected and interviewed for the study. With a view to explore their awareness and perception level of producers, retailers and consumers was conducted.

## **Results and Discussion**

### **Producers' (Farmers') awareness towards FDI in agricultural retail sector**

The data so analyzed indicated that majority of the producers had awareness about the FDI in the agricultural retail sector has been presented in Table 1. It was revealed from Table 1 that 15.00 percent of the producers were fully aware, while 28.33 percent were aware and the majority of the producers (56.66%) were not aware 'About the FDI'. It was found from the data that 21.66 percent producers were fully aware whereas, 13.33 percent producers were aware, while 65.00 of

the producers were not aware of the statement 'About the implementation of FDI in agricultural sector'.

However, 11.66 percent of the respondents were fully aware, whereas 15.00 percent of respondents were aware and the majority of the respondents 73.33 percent were not aware of 'FDI is accessible to producers'. It was observed that 13.33 percent were fully aware, whereas 18.33 percent were aware and remaining major portion (68.33%) of respondents not aware about 'FDI will help in solving producers problems'.

It was revealed that 11.66 percent of the respondents were fully aware whereas, 31.68 percent of the respondents were aware while 56.66 percent of the respondents were not aware of the 'FDI provide better quality farm inputs'. It was found that 16.66 percent of the respondents were fully aware whereas, 26.66 percent were aware and 56.66 percent of the respondents were not aware of 'FDI will ensure the producers' benefits'.

Table 1 further revealed that only (05.00 %) were fully aware, whereas (31.66%) producers were aware and remaining 63.33 percent of the producers were not aware of 'FDI will help in increasing the producer's income'. It was also found that 08.33 percent producers were fully aware, while (35.00 %) were aware and 56.66 percent of the producers were not aware of 'FDI will be helpful in reducing the producers' risk'. It was revealed that 06.67 percent respondents were fully aware, whereas (23.33 %) respondents were aware, while 70.00 percent of the respondents were not aware about 'FDI supply modern farm implements'.

It was found from the Table 1 that majority of the producers (11.66 %) were fully aware, while 21.66 percent of the producers were aware and majority (60.00 %) were not aware

of 'FDI supply all farms inputs'. It was revealed that 25.00 percent of the respondents were fully aware, whereas 16.66 percent of the respondents were aware, while 58.33 percent producers were not aware of 'FDI stops the middlemen profits'.

The only 05.00 percent of the respondents were fully aware, while 13.00 percent were aware and the majority of the respondents (81.66 %) were not aware of 'FDI promotes direct farming'. In Table 1, it was found that 11.66 percent of the producers were fully aware, whereas only 08.34 percent of the producers were aware and 80.00 percent of the producers were not aware of the implantation of FDI in agricultural retail sector 'pay attention to sale agro – products through FDI'.

The respondents (05.00%) were found fully aware and 30.00 percent were aware, while majority (65.00%) of respondents did not have information on the FDI in agricultural retail sector. Farmers generally young and middle age group looked after the agriculture with great interest and would interact as well as provide proper information. Similar finding were also reported by many researchers viz. Patel *et.al* (2013)

### **Retailers' awareness towards FDI in agricultural retail sector**

The Table 2 shows that majority of the retailers (53.34%) were not aware 'about FDI' while only 38.33 per cent were found aware and 08.33 per cent of the respondents were found fully aware. The data contained in Table 2 revealed that maximum number of retailers (58.33%) were not aware about 'FDI functional or not in agricultural sector', whereas one third of the respondents were found aware and only 10.00 per cent were fully aware of 'FDI functionality in agricultural sector', it was observed that more than half of the respondents (51.67%) were

not so aware and 40.01 percent were aware, whereas only 08.34 percent were found fully aware for the statement 'Heard about FDI from media'.

As FDI awareness is concerned, it was observed that majority of the respondents (65.00%) were not aware and 26.67 per cent of the respondents were aware but only few (08.33%) of the respondents were fully aware about 'FDI may standardize agricultural retail market from unorganized to organized sector'. It was found that 55.00 per cent of the respondents were not aware, 35.00 per cent were aware and 10.00 per cent were fully aware towards 'Consumers get appropriate price for agro-products'. Regarding awareness towards FDI it was observed that maximum number of the respondents (51.67%) was not so aware, 38.33 per cent aware and 10.00 per cent were fully aware for 'FDI can provide agro products at global standards'. Half of the respondents (50.00%) were not aware, while 40.00 per cent was aware and remaining 10.00 percent of the respondents were found fully aware for 'Consumers may have more buying option'.

Awareness regarding 'FDI may provide agro-products throughout the year 50.00 percent of respondents were not aware and 35.00 percent were found aware, whereas only 15.00 percent was found fully aware. It is also observed from Table 2 that more than one-third of the respondents (48.33%) were not aware, 41.67 per cent were aware and 10.00 per cent were fully aware about the statement 'FDI promotes direct marketing'. It was revealed that 38.33 percent of the respondents were not aware, whereas, 50.00 percent of the respondents were aware, while 11.67 percent of the respondents were fully aware about 'FDI may reduce profiteers'. It was found that 31.67 percent of the respondents were not aware, whereas 43.33 percent were aware and 25.00 percent of the respondents were fully aware of

'FDI may benefit the producers directly'. The one third of the respondents was not found aware and 46.67 percent were aware, while 20.00 percent were fully aware of 'Price of agro – products may be reduced'. It was found from Table 2 that 33.33 percent of the respondents were not aware, 15.00 percent were aware, while (35.00%) retailers were fully aware of 'FDI may lower the earning of agricultural retailers'. In Table 2, it was found that (33.34%) respondents were not aware, whereas the majority (61.66%) of the respondents were aware and (05.00%) of the respondents were fully aware of 'Ever you have seen any FDI retail store in your vicinity'. It was revealed from the Table that only 25.00 percent of the retailers were not aware and majority (71.67%) of the respondents was aware whereas 03.33 percent of the respondents were fully aware of 'sale agro-products through FDI'.

### **Consumers' awareness towards FDI in agricultural retail sector**

Regarding FDI awareness among the consumers, about 50.00 per cent the respondents had medium level, whereas 36.67 per cent possessed low level and 13.33 per cent were found to high level of awareness. It was found that majority of the respondents (65.00%) had medium level, while 21.67 per cent possessed low level and 13.33 per cent had high level of awareness about FDI in agricultural retail sector. It was found that more than half (53.33%) of the respondent had medium level, whereas 35.00 percent possessed low level and only 11.67 percent had high level of awareness towards 'FDI already being implemented in other sectors'. In case of 'FDI will boost up the agricultural retail sector', only 11.67 per cent of the respondents had high level, while 56.67 per cent possessed medium level and only 31.66 per cent was found to low level of awareness among the respondents.

It was observed from the Table 4.16 that about nearly half of the respondents (46.67%) possessed medium level while whereas 40.00 per cent had low level and 13.33 per cent had high level of regarding belief of respondents about 'FDI consumers gets an appropriate price of agro- products'. In case of use of 'FDI consumers has more buying option' majority of the respondents (63.33%) had medium level, while 11.67 per cent had high level and 25.00 per cent had low level. As regarding about 'After implementation of FDI, agro-products are available throughout the year', about more than half of the respondents (51.67%) had medium level, whereas 35.00 per cent had low level and only 16.67 per cent had high level of awareness. In case of 'FDI promotes direct marketing between producers and consumers' about 48.33 percent of the respondent had medium level, while 16.67 per cent had high and 35.00 per cent had low level. It was found from Table 4.16 that exactly half of the respondents (50.00%) had low level, whereas 33.33 per cent had medium level, while only 16.67 per cent had high level of awareness about 'Prices of agro – products would not hike frequently'. In case of 'Habits of consumers are changing after implementation of FDI' half of the respondents (50.00%) had medium level, whereas 35.00 per cent had low level and only 15.00 per cent had high level of awareness.

It was observed that 21 per cent of the respondents had medium level, whereas 41.67 per cent had low level, while only 10.00 per cent had high level of awareness about 'Losses may occur to the consumers after implementation of FDI'.

It was revealed from Table 4.16 that 53.33 percent of the respondents had medium level, whereas 28.33 per cent had low level and 18.34 per cent had high level of awareness about 'FDI agricultural stores are set-up with modern facilities'. It was revealed that about nearly half (46.67%) of the respondents had

medium level and 30.00 per cent were low level, while 23.33 per cent had high level of awareness about 'FDI enhances the agro – products availability in FDI retail stores'

The study revealed that majority of the respondents had low level and only 16.67 percent had medium level whereas not even a single of the respondents had high level of awareness about FDI retail stores. Another finding of this research shows that there is positive perception in the mind of consumers about FDI, but this positivity towards the FDI depends on the level of awareness about FDI amongst Indian consumers. Indian administrative authorities should set appropriate strategies for the enhancement of FDI awareness amongst Indian consumers (Abhinav *et al.* 2014).

#### **Producers' (Farmers') perception towards FDI in agricultural retail sector**

The existing perception level of respondents about implementation of FDI in agricultural retail sector presented in Table 4 was worked out for interpretation. It was revealed from Table 4 that 38.33 percent of the respondents had agreed, whereas 50.00 per cent were undecided followed by 11.67 per cent had disagreed with the statement 'FDI provides best facilities and services for agricultural production'. It was found that 40.00 per cent of the respondents were agreed whereas 43.33 per cent had undecided, while 16.67 per cent had disagreed with the statement that 'FDI in agricultural retail sector is a bad idea imported from abroad.

It was revealed from Table 4 that 15.00 percent of the respondents had agreed and more than half of the respondents (51.67%) had undecided, whereas 33.33 per cent of the respondents were disagreed with the statement 'Most of the producers are small and marginal so FDI is not suitable'.

It was observed that the respondents (21.67%) had agreed, whereas 45.00 per cent were undecided and 30.00 per cent had disagreed with the statement ‘FDI will show more inclination towards big and resourceful producers’. It was revealed that only 10.00 per cent had agreed and 45.00 per cent of the respondents were undecided, whereas 45.00 per cent of the respondents had disagreed with the statement ‘FDI companies neglect small producers that are because of having less recourse’. It was found that 38.33 percent of the respondents had agreed, whereas 46.87 per cent of the respondents were undecided and 15.00 per cent had disagreed with the statement ‘FDI agencies usually concentrate on commercial agricultural production’.

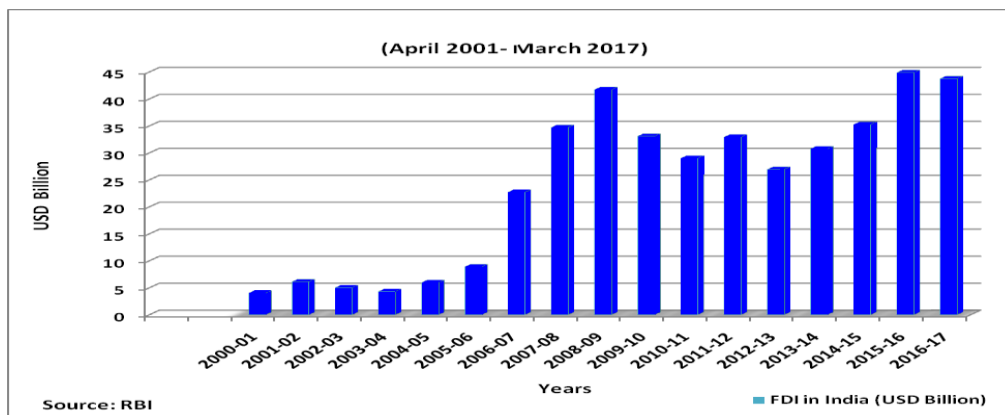
It was revealed from Table 4 that more than one third of the respondents (33.33%) had disagreed, whereas 43.33 percent were undecided and 23.33 percent had disagreed with the statement ‘FDI will increase income of producers’. It was found that only 13.33 per cent of the respondents had agreed, while 58.33 per cent were undecided and only 28.34 per cent were disagreed with the statement ‘FDI provide erroneous information for higher production’.

It was revealed that the respondents (31.67%) had agreed, whereas majority (60.00%) of the

producers were undecided while only 08.33 per cent had disagreed with the statement ‘FDI has opened up employment opportunities’. It was found from Table 4 that many of the respondents (41.67%) had agreed, whereas 36.67 per cent were undecided, while 21.66 per cent had disagreed with that ‘FDI promotes its products irrespective of producers need’. It was found that 35.00 percent respondents had agreed, while 45.00 percent of the respondents were undecided and 20.00 percent of respondents were disagreed to the statement ‘FDI provides adulterated fertilizers, impure seed, and expiry date farm inputs’. It was observed that 19.00 percent respondents had agreed and 35.00 percent were found undecided, whereas 33.33 percent had disagreed with the statement ‘FDI has ensured the accountability and quality of farming related services’. It was found from the Table 4 that 31.67 percent of the respondents had agreed, whereas 35.00 per cent were undecided and 33.33 per cent had disagreed with the statement ‘FDI has ensured the accountability and quality of farming related services’.

It was revealed that 23.33 percent of the respondents had agreed whereas 45.00 per cent were undecided and 31.67 per cent had disagreed with the statement ‘FDI increases farm management skills of producers’.

**Fig.1** FDI Inflow in India



**Table.1** Producers’ (Farmers’) awareness level towards FDI in agricultural retail sector

(n = 60)

S. No.	Statements	Response			TWS	Overall awareness (%)	WMS	Rank order
		Fully aware	Aware	Not o aware				
1.	Are you aware about FDI?	09 (15.00)	17 (28.33)	34 (56.66)	95	21.11	1.58	III
2.	Are you aware about implementation of FDI in agricultural retail sector?	13 (21.66)	08 (13.33)	39 (65.00)	94	20.89	1.57	IV
3.	Whether FDI is accessible to producers?	07 (11.66)	09 (15.00)	44 (73.34)	83	18.44	1.38	X
4.	Whether FDI will be helpful in solving producers’ problems?	08 (13.33)	11 (18.33)	41 (68.33)	87	19.33	1.45	VII
5.	Do you know that FDI provides better quality farm inputs?	07 (11.66)	19 (31.66)	34 (56.66)	93	20.67	1.55	V
6.	Whether FDI will ensure the farmers’ benefits?	10 (16.66)	16 (26.66)	34 (56.66)	96	21.33	1.60	II
7.	Whether FDI will be helpful in increasing the producers’ income?	03 (05.00)	19 (31.66)	38 (63.33)	85	18.89	1.42	VIII
8.	Whether FDI will be helpful in reducing the farmers’ risk?	05 (08.33)	21 (35.00)	34 (56.66)	91	20.22	1.52	VI
9.	Do you know that FDI supplies modern farm implements?	04 (06.67)	14 (23.33)	42 (70.00)	82	18.22	1.37	XI
10.	Are you aware that FDI supply all farms inputs?	11 (11.66)	13 (21.66)	36 (60.00)	95	21.11	1.58	III
11.	Are you aware that FDI stops the middlemen profit?	15 (25.00)	10 (16.66)	35 (58.33)	100	22.22	1.67	I
12.	Are you aware that FDI promotes direct farming?	03 (05.00)	08 (13.00)	49 (81.66)	74	16.44	1.23	XIII
13.	Will you pay attention to sell agro-products through FDI agencies?	07 (11.66)	05 (08.33)	48 (80.00)	79	17.56	1.32	XII
14.	After completing this survey, will you seek more information on the FDI?	03 (05.00)	18 (30.00)	39 (65.00)	84	18.67	1.40	IX

Figures in parentheses in columns 3, 4 and 5 indicates percentages; columns 7 indicates weighted mean scores, column 8 indicates overall percentage and column 9 indicates rank order.

**Table.2** Retailers’ awareness towards FDI in the agricultural retail sector

(n = 60)

S. No.	Awareness statements	Response			TWS	WMS	Overall Awareness (%)	Rank order
		Fully aware	Aware	Not so aware				
1.	Do you know about FDI?	05 (08.33)	23 (38.33)	32 (53.33)	93	1.55	20.67	XII
2.	Are you aware about the agricultural sector in which FDI is functional?	06 (10.00)	19 (31.67)	35 (58.33)	91	1.52	20.22	XIII
3.	Have you heard about FDI in agricultural retail sector from media?	05 (08.33)	24 (40.00)	31 (51.67)	94	1.57	20.89	XI
4.	FDI may standardize agricultural retail market from unorganized to organized	05 (08.33)	16 (26.67)	39 (65.00)	86	1.43	19.11	XIV
5.	Consumers can get appropriate price for agro-products	06 (10.00)	21 (35.00)	33 (55.00)	93	1.55	20.67	XII
6.	FDI can provide global standards for agro-products	06 (10.00)	23 (38.33)	31 (51.67)	95	1.58	21.11	X
7.	Consumers may have more buying options	08 (13.33)	24 (40.00)	30 (50.00)	100	1.67	22.22	VII
8.	FDI may provide agro-products throughout the year	09 (15.00)	21 (35.00)	30 (50.00)	99	1.65	22.00	VIII
9.	FDI may promote direct marketing	06 (10.00)	25 (41.67)	29 (48.33)	97	1.62	21.56	IX
10.	FDI may reduce profiteers	07 (11.67)	30 (50.00)	23 (38.33)	104	1.73	23.11	IV
11.	FDI may benefit the farmers directly	15 (25.00)	26 (43.33)	19 (31.67)	116	1.93	25.78	I
12.	The price of agro-products may be reduced	12 (20.00)	28 (46.67)	20 (33.33)	112	1.87	24.89	II
13.	FDI may lower the earnings of agricultural retailers	21 (35.00)	9 (15.00)	20 (33.33)	101	1.68	22.44	VI
14.	Have you ever seen any FDI agricultural retail store in your locality?	03 (5.00)	37 (61.67)	20 (33.33)	103	1.72	22.89	V
15.	Will you pay attention to sell agro-products through FDI retail stores?	02 (3.33)	43 (71.67)	15 (25.00)	107	1.78	23.78	III

Figures in parentheses in columns 3, 4 and 5 indicates percentages; columns 7 indicates weighted mean scores, column 8 indicates overall percentage and column 9 indicates ranks order



**Table.3** Consumers’ awareness towards FDI in the agricultural retail sector

(n = 60)

Sr. No.	Awareness Statements	Response			Total Weighted Score	Overall Awareness (%)	Weighted mean score	Rank order
		Fully Aware	Aware	Not So Aware				
1.	Are you aware about FDI?	08 (13.33)	30 (50.00)	22 (36.67)	106	23.56	1.77	VIII
2.	Are you aware about FDI in the agricultural retail sector?	08 (13.33)	39 (65.00)	13 (21.67)	115	25.56	1.92	II
3.	Are you aware that FDI is already being implemented in other sectors?	7 (11.67)	32 (53.33)	21 (35.00)	106	23.56	1.77	VIII
4.	FDI will boost up the agricultural retail sector?	7 (11.67)	34 (56.67)	19 (31.67)	108	24.00	1.80	VI
5.	FDI will regulate the Agricultural retail sector?	8 (13.33)	28 (46.67)	24 (40.00)	104	23.11	1.73	IX
6.	Due to FDI consumers gets an appropriate price of agro-products	9 (15.00)	29 (48.33)	22 (36.67)	107	23.78	1.78	VII
7.	Due to FDI consumers has more buying option?	7 (11.67)	38 (63.33)	15 (25.00)	112	24.89	1.87	IV
8.	After FDI, agro-products are available throughout the year	8 (13.33)	31 (51.67)	21 (35.00)	107	23.78	1.78	VII
9.	FDI promotes direct marketing between producer and consumers	10 (16.67)	29 (48.33)	21 (35.00)	109	24.22	1.82	V
10.	Prices of agro-products would not hike frequently	10 (16.67)	20 (33.33)	30 (50.00)	100	22.22	1.67	XI
11.	Habits of consumers are changing after implementation of FDI	9 (15.00)	30 (50.00)	21 (35.00)	108	24.00	1.80	VI
12.	Losses may occur to the consumers after implementation of FDI	6 (10.00)	29 (48.33)	25 (41.67)	101	22.44	1.68	X
13.	FDI agricultural retail stores are set-up with modern facilities	11 (18.33)	32 (53.33)	17 (28.33)	114	25.33	1.90	III
14.	FDI enhances the agro-products availability in FDI retail stores	14 (23.33)	28 (46.67)	18 (30.00)	116	25.78	1.93	I
15.	Have you visited any retail shop, which is being run by FDI? If yes, please indicate names i) ii)	0 (0.00)	10 (16.67)	50 (83.33)	100	22.22	1.17	XII

**Table.4** Producers’ (Farmers’) perception towards FDI in Agricultural Retail sector

(n = 60)

S. No	Statements	Response			TWS	Overall Perception (%)	WMS	Rank order
		Agree	Undecided	Disagree				
1.	FDI provides best facilities and services for agricultural production	23 (38.33)	30 (50.00)	07 (11.67)	136	25.19	2.27	II
2.	FDI in agricultural retail sector is a bad idea imported from abroad	24 (40.00)	26 (43.33)	10 (16.67)	134	24.81	2.23	III
3.	Most of the producers are small and marginal so FDI is not suitable	09 (15.00)	31 (51.67)	20 (33.33)	109	20.19	1.82	XIII
4.	FDI will show more inclination towards big and resourceful producers	13 (21.67)	29 (48.33)	18 (30.00)	115	21.30	1.92	XI
5.	FDI companies neglect small producers that are because of having less recourse	27 (45.00)	27 (45.00)	06 (10.00)	141	26.11	2.35	I
6.	FDI agencies usually concentrate on commercial agricultural production	23 (38.33)	28 (46.67)	09 (15.00)	134	24.81	2.23	III
7.	FDI will increase income of producers	20 (33.33)	26 (43.33)	14 (23.33)	126	23.33	2.10	VI
8.	FDI provides erroneous information to producers for higher production	08 (13.33)	35 (58.33)	17 (28.33)	111	20.56	1.85	XII
9.	FDI has opened up employment opportunities	19 (31.67)	36 (60.00)	05 (8.33)	134	24.81	2.23	III
10.	FDI promotes their products irrespective of producers need	25 (41.67)	22 (36.67)	13 (21.67)	132	24.44	2.20	IV
11.	FDI provides adulterated fertilizers, impure seeds, and expiry date farm inputs	21 (35.00)	27 (45.00)	12 (20.00)	129	23.89	2.15	V
12.	FDI has ensured the accountability and quality of farming related services	19 (31.67)	21 (35.00)	20 (33.33)	119	22.04	1.98	IX
13.	FDI increases farm management skills of producers	14 (23.33)	27 (45.00)	19 (31.67)	115	21.30	1.92	XI
14.	FDI increases the bargaining power of producers	21 (35.00)	23 (38.33)	16 (26.67)	125	23.15	2.08	VII
15.	FDI agencies provide advice to producers as per market demand	15 (25.00)	30 (50.00)	15 (25.00)	120	22.22	2.00	VIII
16.	FDI in agricultural retail sector should be forbidden among producers community	16 (26.67)	34 (56.67)	10 (16.67)	126	23.33	2.10	VI
17.	FDI is the right way to develop the agricultural retail sector	15 (25.00)	29 (48.33)	16 (26.67)	119	22.04	1.98	IX
18.	Generally, FDI meant for the producers who reside near the city	14 (23.33)	28 (46.67)	18 (30.00)	116	21.48	1.93	X

Figures in parentheses in columns 3, 4 and 5 indicates percentages; columns 7 indicates weighted mean scores, column 8 indicates overall percentage and column 9 indicates rank order.

**Table.5** Retailers’ perception towards FDI in the agricultural sector

(n = 60)

S. No.	Perception Statements	Response			TWS	WMS	Overall Perception (%)	Rank order
		Agree	Undecided	Disagree				
1.	FDI retail stores would be the main competitor of agro – products retailers	21 (35.00)	37 (61.67)	02 (3.33)	139	2.32	30.89	II
2.	More manpower required to compete with FDI retail stores	18 (30.00)	38 (63.33)	04 (6.67)	134	2.23	29.78	III
3.	Expenses and investment of retailers may increase	27 (45.00)	30 (50.00)	03 (5.00)	144	2.40	32.00	I
4.	Sale of agro-products of retailers will be increased but profit may decrease	23 (38.33)	35 (58.33)	12 (20.00)	127	2.12	28.22	VI
5.	FDI may add new agro-product lines	16 (26.67)	31 (51.67)	13 (21.67)	123	2.05	27.33	VIII
6.	FDI retail stores will have superior quality agro-products	14 (23.33)	37 (61.67)	09 (15.00)	125	2.08	27.78	VII
7.	Variety of agro-products will be available in FDI retail stores	24 (40.00)	17 (28.33)	19 (31.67)	125	2.08	27.78	VII
8.	Are you willing to become a franchisee of FDI agricultural retailer?	16 (26.67)	35 (58.33)	09 (15.00)	127	2.12	28.22	VI
9.	Unorganized retail outlets may close after FDI implementation	19 (31.67)	27 (45.00)	14 (23.33)	125	2.08	27.78	VII
10.	Competition from FDI agricultural retail stores	11 (18.33)	33 (55.00)	16 (26.67)	115	1.92	25.56	X
11.	FDI may reduce the number of intermediaries	16 (26.67)	33 (55.00)	11 (18.33)	125	2.08	27.78	VII
12.	FDI retail stores are good option, but you are fine with your retail store	17 (28.33)	38 (63.33)	05 (8.33)	132	2.20	29.33	IV
13.	Are your customers different, so there will not be any effect on your business	19 (31.67)	30 (50.00)	11 (18.33)	128	2.13	28.44	V
14.	Agricultural retailers may oppose FDI in agricultural retail sector	16 (26.67)	28 (46.67)	16 (26.67)	120	2.00	26.67	IX
15.	FDI agricultural retail stores will be successful in India	11 (18.33)	30 (50.00)	19 (31.67)	112	1.87	24.89	XI

Figures in parentheses in columns 3, 4 and 5 indicates percentages, columns 7 indicates weighted mean scores, column 8 indicates overall perception percentage and column 9 indicates rank order

**Table.6** Consumers’ perception towards FDI in the agricultural retail sector

(n = 60)

Sr. No.	Perception Statements	Response			Total weighted score	Weighted mean score	Overall perception (%)	Rank order
		Agree	Undecided	Disagree				
1.	FDI can stabilize the price of agro-products	25 (41.66)	30 (50.00)	5 (08.33)	131	2.18	20.79	III
2.	FDI can provide better quality agro-products	31 (51.66)	21 (35.00)	8 (08.33)	132	2.20	20.79	II
3.	FDI can provide agro-products with high nutritional value	22 (36.66)	27 (45.00)	11 (18.33)	124	2.07	19.68	IV
4.	FDI can maintain originality of ago-products	24 (40.00)	14 (23.33)	22 (36.66)	107	1.78	16.98	IX
5.	FDI can give healthier lifestyle to the consumers	22 (36.66)	27 (45.00)	11 (18.33)	119	1.98	18.89	IV
6.	FDI provides agro-products at remunerative pricing	18 (30.00)	30 (50.00)	12 (20.00)	117	1.95	18.57	VII
7.	FDI provides fresh agro-products	14 (23.33)	37 (61.66)	9 (15.00)	121	2.02	19.21	VIII
8.	FDI do not benefit the consumers	9 (15.00)	35 (58.33)	16 (26.67)	121	2.02	19.21	XII
9.	FDI will increase buying capacity of consumers	14 (23.34)	28 (46.66)	18 (30.00)	106	1.77	18.41	XI
10.	FDI policy makers are playing with consumers	15 (25.00)	35 (58.33)	10 (16.33)	118	1.97	18.73	VIII
11.	FDI is being forced on developing countries by developed countries	18 (30.00)	23 (38.34)	19 (31.66)	123	2.05	19.52	X
12.	FDI improves agricultural retail marketing techniques	24 (40.00)	23 (38.34)	13 (21.66)	135	2.25	21.43	IV
13.	FDI can create monopoly in agricultural retail markets	33 (55.00)	18 (30.00)	9 (15.00)	137	2.28	21.75	I
14.	Off-season agro-products are available all the time in FDI stores	19 (31.66)	29 (48.33)	12 (20.00)	110	1.83	17.46	VI
15.	Implementation of FDI in agricultural retail sector should be forbidden in India	21 (35.00)	27 (45.00)	12 (20.00)	105	1.75	16.67	V

Figures in parentheses in columns 3, 4 and 5 indicate percentages columns 6 indicates total weighted score, column 7 indicates weighted mean scores, column 8 indicates overall perception and column 9 indicate rank order

It was found from the Table 4 that 25.00 percent of the respondents had agreed, whereas exactly half (50.00%) of the respondents were undecided and 25.00 per cent had disagreed with the statement 'FDI will increase the bargaining power of producers'. It was observed that the respondents (26.67%) had agreed, while more than half (56.67) of the respondents were undecided followed by 16.67 per cent who had disagreed with the statement 'FDI in agricultural retail sector should be forbidden among producers' community'.

It was found that 25.00 percent of the respondents had agreed, whereas nearly half (48.33%) were undecided and 26.67 per cent of the respondents had disagreed with the statement 'FDI is the right way to develop the agricultural retail sector'. It was revealed that 23.33 percent of the respondents (79.04%) had agreed, whereas 46.67 per cent were undecided and 30.00 per cent had disagreed with the statement that 'Generally, FDI is meant for the producers who reside near the city'.

Empathy and understanding producer needs were deemed very important by FDI agencies when rating service quality and both factors were key factors enabling the building relationships. (Wong & Sohoo 2002)

### **Retailers' perception towards FDI in agricultural retail sector**

Accordingly, based on their overall perception score the retailers' responses were arranged into ranks towards FDI in agricultural sector on the basis of perception index. The studies showed that 35.00 percent of the respondents had agreed, while majority (61.00%) of the respondents were undecided and only 03.33 percent had disagreed with the statement 'FDI retail stores would be the main competitor of agro-products retailers due to implementation of FDI'. It was found that 30.00 percent of farmers had agreed, whereas majority (63.33%) of the respondents was undecided, while only 06.67 percent disagreed with the 'More manpower required competing with FDI retail stores'. The

perception level of the respondents about expenses and investment of retailers may increase which showed that more than one third of the farmers (45.00%) had agreed, whereas half (50.00%) of the respondents were undecided and only 05.00 percent of respondents had disagree. The respondents (38.33%) had agreed and majority (58.33%) of the respondents were considered as undecided, while 20.00 percent had disagreed about 'Sales of agro- products of retailers will increased but profit may decreases'.

Regarding the statement 'FDI may add new agro – product line', the respondents (26.67%) had agreed and more than half (51.67%) of the respondents were undecided, whereas 21.67 percent were found disagreed. The respondents (23.33%) had agreed, whereas majority (61.66%) of the respondents were undecided and 15.00 percent had disagreed about 'FDI retail stores will have superior quality of agro-products'. More than one third (40.00%) of respondents was agreed and 28.33 percent were undecided, whereas 31.67 percent disagreed about 'Varieties of agro-products will be available in FDI retail stores'.

It was observed that 26.67 percent had agreed, whereas 58.33 percent were undecided and 15.00 percent of the respondents disagreed with 'Are you will to become a franchisee of the agricultural retailers'. It was also revealed that 31.67 percent of the respondents had agreed while 45.00 percent were undecided and 23.33 percent of the farmers had disagreed with 'Unorganized retail outlets may close after FDI implementation'. It was found from the Table 5 that 18.33 percent of the respondents had agreed, whereas majority of the respondents (55.00%) were undecided and 26.67 percent had disagreed with 'Competition from FDI agricultural retail stores' occurred due to FDI implementation in agricultural retail sector. It was revealed from the data that the respondents (26.67%) had agreed, whereas more than half (55.00%) were undecided and 18.33 percent had disagreed with 'FDI may reduce the number of intermediaries'.

It was revealed that 28.33 percent of respondents had agreed, whereas majority (63.33%) of the respondents was undecided and only 08.33 percent were disagreed regarding 'FDI retail stores are good option, but you are fine with your businesses'. It was found from Table 5 that 31.67 percent of the respondents had agreed, while 50.00 percent were undecided and 18.33 percent were disagreed with 'Are your customers different, so there will not be any effect on your businesses'.

It was also found from the study that the respondents (26.67%) had agreed, whereas 46.67 percent were undecided while 26.67 percent had disagreed with 'Agricultural retailers may oppose FDI in agricultural retail sector'. It was revealed from the data that 18.33 percent had agreed while 50.00 percent were undecided and 31.67 percent had disagreed with 'FDI agricultural retail stores will be successful in India'. FDI should not be allowed for multi brand stores in near future, as Indian retailers will not be able to face competition with these stores immediately (Singh 2012).

### **Consumers' perception towards FDI in agricultural retail sector**

The Table 6 shows that 41.66 per cent of the respondents had agreed, while half of the respondents (50.00 %) were undecided and only 08.33 per cent of the respondents had disagreed with the statement 'FDI can stabilize the price of agro-products'. The data contained in the table revealed that majority (51.66%) of the respondents had agreed and 35.00 percent of the respondents were undecided and only 08.33 per cent had disagree to 'FDI can provide better quality agro-products'. It was observed from the table that 36.66 percent had agreed and 45 per cent of the respondents were undecided, whereas only 18.33 percent were found disagreed to the statement 'FDI can provide agro-products with high nutritional value'. It was observed that 40.00 per cent of the respondents had agreed, 36.66 per cent were disagreed and 23.33 per cent were undecided of 'FDI can maintain originality of agro-products'.

About 36.66 per cent of the respondents had agreed and 45.00 per cent were found undecided, while 18.33 per cent had disagreed to 'FDI can give healthier lifestyle to the consumers'. Regarding perception towards FDI, it was observed that 30.00 per cent had agreed, whereas half of the respondents (50.00%) were undecided, and 20.00 percent had disagreed with the statement 'FDI provides agro-products at remunerative pricing'. The respondents (23.33%) had agreed and majority (61.66 %) of the respondents were undecided, while remaining 15.00 percent had disagreed to 'FDI provides fresh agro-products'. Regarding the statement 'FDI does not benefit the consumers', only 15 per cent had found agreed, whereas 58.33 per cent of respondents were undecided and 26.67 percent had disagreed. It was also observed from the Table 10 that 23.34 per cent had agreed and 46.66 per cent of the respondents were undecided while 30.00 percent had disagreed to the statement 'FDI will increase buying capacity of consumers'. Mahadevaswamy and Nalini (2013) analyzed the perceptions of the common man about FDI in agricultural retail sector.

It was revealed that 25.00 percent of the respondents had agreed, whereas 58.33 per cent of the respondents were undecided, while 16.33 per cent of the respondents had disagreed to 'FDI policy makers are playing with consumers'. It was found that 30.00 per cent of the respondents had agreed and more than one third (38.34%) of the respondents were undecided, whereas 31.66 per cent had disagreed with the statement 'FDI is being forced on developing countries by developed countries'. The most (40.00%) of the respondents had agreed and 38.34 per cent undecided, whereas 21.66 percent had disagreed to 'FDI improves agricultural retail marketing techniques'. It was observed that 55.00 percent of the respondents had agreed, 30.00 per cent were undecided, while 15.00 percent of the respondents had disagreed to 'FDI can create monopoly in agricultural retail markets'. In Table 6, it was found that 31.66 per cent of the respondents had agreed and nearly half (48.33

%) of the respondents were undecided, whereas 20.00 per cent had disagreed to 'Offseason agro-products are available all the time in FDI retail stores'. It was revealed from the study that 35.00 percent had agreed and 45.00 percent were undecided and only 20.00 per cent had disagreed with the statement 'Implementation of FDI in agricultural retail sector should be forbidden in India'

In conclusion, the present study infers the clear details about FDI in agricultural retail sector in India and reflects the producers, retailers, consumers and economists opinion as a mirror. In our study area, majority of the respondents showed low awareness and perception about implementation of FDI and strongly opposed these investment methods directly from foreign countries.

They feel that it will affect the domestic agricultural retail business. Our country has 90% of unorganized retail sector this FDI slowly abolishing the retail sector of India. Although they lack in knowledge about FDI, they are very strong in opposing it inside India.

In this trend it is not safe to allow this corporate sector in India. So it's a duty of Government to make them clear about FDI's two sides and at the same time they should respect the feelings of common people by taking good decision which favours our soil and its innocent retailers

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