



RUDI Multi-trading Company: Locally- owned Agricultural Trade Network

Highlights The Rural Urban Distribution Initiative (RUDI) was set up in India in 2004 by the Self Employed Women’s Association (SEWA). It is a branded local network for the procurement, marketing, and distribution of agricultural products by rural women and is owned by the small-scale farmers and rural women involved. The network is designed to allow rural capital and good quality food to circulate locally, as well as involving women who work at local processing centres and distribution hubs as ‘RUDI Ben’, or saleswomen.

Introduction

Small-holder farmers in India’s agricultural sector cope with low investment and on-going threats to their livelihoods, such as encroachment from corporate agriculture and urban expansion. In this context, the Rural Urban Distribution Initiative (RUDI) began as a branded rural marketing and distribution network set up by the Self Employed Women’s Association (SEWA), a union of over 5 million self-employed workers. RUDI began in rural areas of Gujarat State and involved rural women’s self-help groups and farmers associations comprised of marginal farmers and agricultural workers living below the poverty line. In 2007, RUDI was registered as a public limited company, the RUDI Multi trading Company.

RUDI strengthens the local economy by linking small-scale farmers; women who work at local processing centres and



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distribution hubs; and *RUDI Ben*, or sales women, within a value chain that enables rural capital and good quality food to circulate locally. In doing so, RUDI also increases the stability and regularity of smallholder income, and increases the economic empowerment of women at village level, through having their own income and a greater say within their household and communities.

Timeline

1972	2004	2007	2013	2016
SEWA first registered as a trade union	RUDI Initiative set up in Gujarat State, India	RUDI Multi Trading Company registered as a public limited company	Introduction of mobile management information system	RUDI reaches 10 processing centres and 3,000 RUDI Ben

How It Works

At one end of the supply chain, raw agricultural goods are procured locally from marginal farmers (SEWA members who are small-scale farmers and sharecroppers) and then sorted, graded, cleaned, processed, and packaged at HAAT centres (*haat* means market) by SEWA women under the RUDI brand name. These include long shelf life products such as rice, pulses, spices, tea, sugar, and dried fruit. Processed goods can be sold back to the farmer at a low price or packaged and distributed through distribution hubs which deliver products to villages and sell them in village-level shops. These village outlets utilise specially trained door-to-door saleswomen known as RUDI Ben (the suffix *ben* means 'sister', signifying respect) for marketing and sales to individual houses. RUDI operating funds come from a 5 per cent sales commission on average, and through consultancy services.

As RUDI has grown, SEWA and its local District Association supports the setting up of new processing centres, including capacity building for running the centre as a business enterprise (preparing a business plan, accounting, and inventory management). Funds to establish the centres come through loans secured from the District Association or from a local bank. SEWA and the local District Association also help RUDI Ben avail themselves of loan products and train them in marketing, sales, and goods management skills over a three-month period.

Adding to the efficiency of the RUDI model has been the addition of a mobile management information system in 2013, built on basic mobile phone technology (Pathak 2014). This app increases RUDI Ben earnings by keeping women informed of price changes or marketing schemes and enabling them to place orders from home, saving RUDI Bens hours of time they had previously spent travelling to and from the processing centres to place orders in person.

Enabling Participation

The RUDI Multi Trading Company enables the economic self-reliance of SEWA members and marginal farmers, by enhancing the efficiency of agricultural activities, reducing the hardships farmers face and ensuring the food security of rural members. It is owned and operated collectively by women from SEWA, alongside a mix of external investors from public and private sectors.

The association of RUDI with SEWA also means that political and economic participation are intertwined. SEWA's origins are as a trade union, rooted in awareness raising, strengthening voice, and solidarity among women working in India's informal sector. The collective strength of membership in SEWA, and the confidence, visibility, and organisational capacity gained, support women's mobilisation and economic solidarity through RUDI.

Outcomes

According to RUDI, they have grown from one processing centre in 2004 to 10 processing centres in Gujarat and Rajasthan, working with 70,000 marginal farmers. RUDI Ben number over 3,000 while RUDI provides 100,000 households annually with food security based on good quality, affordable products. Over this period, RUDI's turnover increased from Rs 1 crore (US\$160,000) to Rs 10 crore (US\$1.6 million) per year.

Through this network, RUDI provides access to high quality products of daily consumption at affordable prices to rural consumers. RUDI encourages the RUDI Ben involved in sales to become micro-entrepreneurs by providing each woman with low-risk weekly stock and opportunities for earning 20 per cent commission on goods sold. Their income varies, but active members can earn Rs 8,000 per month.

Small-scale farmers also benefit. RUDI eliminates middlemen, enabling farmers to increase profits, while also enhancing the quality of farmer production and sales through bulk procurement and warehousing, post-harvest processing, and a well-organised sales and distribution network.

Over SEWA's 40 year history, the union has blended economic and political action to achieve the legal and livelihood basis for economic freedom for women. SEWA argue that through the opportunities created by RUDI and the subsequent steady and stable income, women have gained greater agency within their communities and families. Furthermore, as they earn income, they gain a greater say in decision-making.

References

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Image: [Gathering of SEWA members](#)

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