



MARKETING OF HORTICULTURAL CROPS IN NAGAPATTINAM DISTRICT – TAMIL NADU

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ABSTRACT

India is the second largest producer of vegetables in the world next to China and India accounts for 14 per cent of world production of vegetables. The area under cultivation has increased from 5.6 million hectares in 1992-93 to 9.2 million hectares in 2012-2013, registering the annual compound growth rate of 9 per cent in 1992-93 and in 2005-06- 8.85 per cent. In India, the production growth rate is 58.5 million tons in 1991-92 and 190.3 million tons in 2010-11.

INTRODUCTION

India is an agricultural country. The majority of its population depends upon agriculture. It is the largest and the most important industry in India. It contributes 34.2 per cent of the National Income. The Government encourages cultivation of horticultural crops like banana, mango, flowers, vegetables etc., so as to increase the contribution of agriculture to the National Income and to augment the farmers own income.

Marketing of horticultural crops is an important issue in view of their high commercial nature. As per the surveys conducted by the Directorate of Marketing and Inspection of the government of India years back, the marketable surpluses of banana, mangoes, apples, potatoes onions and pine apples were 90 per cent, 81per cent, 96 per cent, 76 per cent, 97 per cent and 94 per cent respectively”. But the absence of organised market results in difficulties in disposing them ultimately affecting the returns to the growers.

In recent years there has been considerable emphasis laid on the development of horticulture and floriculture through the creation of critical infrastructure for cold storage, refrigerated transportation, processing, packaging and quality control. India is the largest producer of coconut, cashew nuts, ginger, turmeric and black pepper and the second largest producer of groundnut, fruits and vegetables. India accounts for 10 per cent of the world fruit production with first rank in the production of banana, spout and acid lime. India is also the largest producer of milk, the fifth largest producer of egg and the seventh largest producer of meat. It is necessary to improve cold storage and 3 transportation facilities and develop efficient marketing and export networks to optimize the production and export potentialities in respect of these products.

REVIEW OF PREVIOUS LITERATURE

Ghosh et al (2003) stated that the modern systems have increased the dependence of rural communities on the Government agencies, which often fail to provide the basic needs of the society or people. On the other hand, traditional systems are community managed system, where the responsibility of taking decision is left with individuals, groups and community working together in the society. This encourages the community, and economic independence and optimization of local resources at micro level.

Rajagopalan (2003) points out that the exploitation of the IK in different countries by the pharmaceuticals and different multinationals has become a reality today and ethnopharmacology has become a potential target. Countries like USA have now realized that germplasm has brighter future than atom bomb and more than 43per cent of the ethnobotany research work is carried out in that country. Modern science views the knowledge about nature only in a technological way in the process of which major part of the essence is lost. Ethnic people have acquired knowledge about their surroundings through hundreds of centuries and this makes the modern biology only a secondary source.

Swaminathan (2003) stated that the initiation of exploitative agriculture without a proper understanding of the various consequences of every one of the changes introduced into traditional agriculture, and without first building up a proper scientific

and training base to sustain it, may only lead us, in the long run, into a era of agricultural disaster rather than one of agricultural prosperity.

According to Mondal (2004), Indigenous Knowledge should permeate development for the simple reason that it is less expensive, readily available, environmentally appropriate and familiar, and most important of all, it has proven record of effectiveness. Further, he affirmed that within the two kinds of knowledge systems, 'Indigenous' and 'Scientific', the gender differences are more clear in indigenous knowledge system in traditional settings because of their different roles and divisions of labour.

Singh(2007) found that the methods adopted traditionally by the tribal farmers of north eastern hill region due to their skill and experience are simple, make use of locally available resources, require no investment, eco-friendly, and are most suitable for hilly terrains.

Sumathi and Rathakrishnan (2008) reported that cowdung was used by farmers for smearing the cut portion in the propagation through stem cutting. The rationale behind the practices identified includes provision of nutrients and moisture by cowdung, preventing the attack of pests and diseases by the cowdung which acts as a physical barrier, and the action of cowdung as a disinfectant.

Sundaramari et al. (2008b) reported that all the 18 indigenous practices studied in hill banana were found rational. Sundaramari et al (2008c) revealed that all the 36 indigenous agricultural practices analysed in coffee cultivation were found rational.

Sharma et al (2009) opined that despite their importance, ITK practices are neglected and often disregarded on the pretext of being unscientific. But something unexplained is not necessarily unscientific and discarding ITK on the belief of being unscientific is not justifiable.

OBJECTIVES OF THE STUDY

The objectives of the present study are as follows:

- To examine the Marketing of horticultural products in study area.
- To identify the marketing problems faced by Horticulturists

HORTICULTURAL / AGRICULTURAL MARKETING

Horticultural is one part of the agricultural sectors. Horticultural marketing depend upon agricultural marketing and no separate or specific market are horticultural markets in a study area. Marketing plays a crucial and important role in accelerating the pace of economic growth by promoting agricultural marketing. Marketing and farm management are inter dependent. Efficient market system ensures remunerative prices to the farmers and motivates them to go in for higher investment and production. With the increase in earnings of the farmers because of efficient marketing, productivity will rise on account of higher investment and quality seed, fertilizer, other essential inputs and modern or improved technology. A healthy and efficient marketing system always yields a fair amount of return to the producers and quality products and safeguards the welfare of consumers.

Agricultural marketing is mainly the buying and selling of agricultural or horticultural produces. Agricultural marketing covers the services involved in moving an agricultural produce from the farm to the consumer. In earlier days, when the village economy was more or less self-sufficient, the marketing of agricultural produces presented no difficulty as the farmer sold his produce to the consumer on a cash or barter basis. Numerous interconnected activities are involved in doing this such as planning production, growing and harvesting, grading, packing, transport, storage, agro and food processing, distribution, advertising and sale.

Agricultural marketing system can be analyzed by looking at the farmers' marketing practices, marketing channels and the structure of markets. The marketing system and farmers' marketing practices have undergone considerable changes during the last 50 years owing to the expansion of the size of the market, increased availability of infrastructure and changes in the pattern of demand and consequently introduction of new methods of processing, packaging, storage and transportation. Farmers' marketing practices and evolution of marketing system are guided by the shelf-life of the commodity. All agricultural produces do not have the same shelf-life. Some produces are perishable, some are less and some are even durable. Cotton and jute versus fruits, vegetables and milk are contrasting examples of agricultural products having long and short shelf-life. In between these two extremes are other agricultural commodities. Owing to the increase in marketed surplus and need to make these available in the off-season and at places other than production points, functions of storage, processing, transportation, packaging and grading are required to be performed either by the farmers or by market functionaries.

Today's agricultural marketing has to undergo a series of exchanges or transfers from one person to another before it reaches the consumer. There are three marketing functions involved in this i.e., assembling, preparation for consumption and distribution. Selling of any agricultural produce depends on some factors like the demand of the product at that time, availability of storage etc. The products may be sold directly in the market or it may be stored locally for the time being. Moreover, it may be sold as it is gathered from the field or it may be cleaned, graded and processed by the farmer or the merchant of the village. Sometimes processing is done because consumers want it or sometimes to conserve the quality of that product. The task of distribution system is to match the supply with the existing demand by whole selling and retailing in various points of different markets like primary, secondary or terminal markets.

Marketing is the crux of production activities; success of production of any crop depends upon its successful marketing. Marketing efficiency to a large extent depends upon production and cultivation practice. In Indian economy agriculture sector predominates not only due to overwhelming share of the nation's product output but also due to providing employment to a spacious sector of population.

Generally, the grower's entire produce is handed over to one or a small number of middlemen for marketing purposes. As it is seldom possible for the producer to market all the produce by himself, the service of the intermediaries is inevitable. Accelerated growth of agriculture mainly depends upon the provision of farm and non-farm services. Among the non-farm services, marketing is the most important service.

Agricultural marketing involves many functions like assembling, grading, storage, financing, risk bearing, etc. All these functions need specialized skills and there the existence of middlemen is highly essential important in many cases. There is an old

saying in marketing that it is possible to eliminate the middlemen but not their functions. **MARKETING CHANNEL / DISTRIBUTION OF PRODUCTS**

Marketing channels consist of various agencies which perform different functions. As a result, the product moves from the producers to the ultimate consumers. The grower is not concerned with the distribution of his product to the consumers. His activity ends with disposing of the produce to the intermediaries. In the vegetable marketing, the intermediaries play a dominant role. According to Lee, the market structure includes various market channels, intermediaries and traders involved in moving the product from the producer to consumer.

Marketing channel are the distribution networks. Products flow to the market through the distribution network. 'Marketing channel' or 'Channel of distribution' is a path traced in the direct or indirect transfer of ownership to a product. That intermediaries performing a variety of functions are buy, take title to, resell, negotiate and others.

By channel of distribution mean the intermediaries or the process through which the products are transferred from the producers to the ultimate users. Physical distribution is concerned with the flow of goods to the ultimate consumers including transportation, warehousing and inventory management.

The sequence of intermediaries through which, the produce passed from producer to consumer. Distribution has two components and they are (1) channel of distribution and (2) physical distribution.

According to American Marketing Association, "A channel of distribution, or marketing channel, is the structure of intra-company organization units and extra-company agents and dealers, wholesale and retail through which a commodity, product or service is marketed."

A channel of distribution for a product is the route taken by the title of goods as they move from the producer to the ultimate consumer or industrial user. It brings maximum profit to all institutions concerned.

The channel of distribution is very important to the producer and the consumer. The consumers are scattered in many places. The producer is situated in one place. There is a big gap between producers to consumer and is shrunk by the channel of distribution. Hence, the channel of distribution is the connecting link their between to sell the products.

The intermediaries in channel of distribution (1) collects the outputs of various products, (2) subdivides the products according to the needs of the consumers and gathers this in the assortment wanted, and (3) disperses this assortment to consumers or industrial buyers. The middlemen are specialists in concentration, equalization and dispersions. They create time, place and the right time in the right place and in the right quantity.

In the present study, it is found that there are six marketing channels used by the farmers for marketing paddy in the study area. The six identified marketing channels are:

- Channel I = Farmer - Trader –Wholesaler – Consumer
- Channel II = Farmer - Regulated Market –Wholesaler – Retailer-Consumer
- Channel III = Farmer - Commission Agent - Retailer – Consumer
- Channel IV = Farmer - Wholesaler - Retailer – Consumer
- Channel V = Farmer – markets (Regular or weekend) -Consumer
- Channel VI = Farmer – Government –co

Marketing of Horticultural Products in the study area

The data relating to the marketing of horticultural products are presented in Table 1.

Table 1
Marketing of Horticultural Products

Horticultural Products	Frequency	Percentage
Flower	78	21
Vegetables	64	17
Fruits	54	15
Grains	87	23
Tree	40	11
Plantation & Medicinal Plantation	47	13
Total	370	100

Source: Primary data

It is inferred from the Table 1 that, regarding to the marketing of horticultural products in the study area. Among the total number of respondents, 78 (21per cent) of the respondents are having marketing of flowers, 64 (17per cent) of the respondents are having marketing in vegetables, 54 (15per cent) of the respondents are having marketing in fruits, 87 (23per cent) of the respondents are having marketing in grains, 40 (11per cent) of the respondents are having marketing in trees, 47 (13per cent) of the respondents are having marketing in plantations & medicinal plantation.

MARKETING PROBLEMS OF HORTICULTURAL CULTIVATORS

The marketing problem creates in market; marketing starts the activity of buying and selling. Marketing normally implies the physical transfer of commodities from production point to consumption point as well as the economic terms on which the transfer takes places. Marketing consists of numerous functions performed by different channels in various periods of time who promote the movement of the commodities from the cultivator to the ultimate consumer.

In this paper the researcher has analyzed and listed down the details regarding the marketing problem of horticultural products markers in Nagapattinam district. That marketing problems are price is variation, credit sales and irregular payment by marketers, high commission, and unfavorable markets conditions. The responses of sample intermediaries and percentage regarding the marketing problems of horticultural products markers are in Table 2.

Table 2
Marketing Problems of Horticultural Cultivators

S.No	Problems	SDA		DA		N		A		SA		Total
		N	per cent	N	per cent	N	per cent	N	per cent	N	per cent	
1	Price variation is	20	5	33	9	96	26	128	35	93	25	370
2	Credit sales	15	4	27	7	119	32	137	37	72	19	370
3	Irregular payment by marketers	24	6	38	10	73	20	125	34	110	30	370
4	High commission	13	4	36	10	129	35	107	29	85	23	370
5	Unfavorable markets conditions	12	3	34	9	113	31	127	34	84	23	370

Source: Primary Data

It Corroborate from the Table 2 that regarding the marketing problems of horticulture cultivators relating to “Price is variation” 128 (35per cent) of the respondents are agreed.

Regarding the marketing problems of horticulture cultivators relating to “Credit sales” 137 (37per cent) of the respondents are agreed.

Regarding the marketing problems of horticulture cultivators relating to “Irregular payment by marketers” 117 (32per cent) of the respondents are agreed.

Regarding the marketing problems of horticulture cultivators relating to “High commission” 131 (35per cent) of the respondents are agreed.

Regarding the marketing problems of horticulture cultivators relating to “Unfavorable markets conditions” 127 (34per cent) of the respondents are agreed.

Hence majority of the respondents are agreed with the factor of ‘Price is variation, Credit sales, Irregular payment by marketers, High commission, and Unfavorable markets conditions’.

In order to identify the factor which is more influencing the respondent towards attitude the Friedman’s test analysis was used and the results were given in Table 3.

Table 3
Friedman Test for
Marketing Problems of Horticultural Cultivators

Marketing problems	Mean	SD	Mean Rank	Reliability
Price is variation	3.65	1.11	3.03	0.762
Credit sales	3.61	1.01	2.94	
Irregular payment by marketers	3.70	1.18	3.05	
High commission	3.58	1.05	2.95	
Unfavorable markets conditions	3.64	1.03	3.03	

Source: Primary Data

It could be noted from the Table 3 that among the five factors “Irregular payment by marketers” was ranked first. It is followed by the “Credit sales” was ranked third. It is followed by the ‘price is variation, unfavorable markets conditions and the reliability is 0.762.

SUGGESTIONS

- ❖ The problems like water scarcity control of pest and diseases, long pre-bearing age, high cost of cultivation and identification of male-female plants in nutmeg can be solved by adopting improved scientific methods.
- ❖ Water scarcity is the common problem for all farmers cultivating horticulture crops. This problem may be tackled by introducing scientific water. Managements like drip irrigation, sprinkler irrigation, sub-soil irrigation and picture irrigation. But these systems need heavy investment. So government may provide subsidy for introducing these systems.
- ❖ The high labour cost involved in horticulture cultivation may be reduced by machanisation. For example tractor ploughing will cover more area at low cost.

CONCLUSION

The present chapter has focused on analyzing the problems faced by the farmers in production and marketing of horticultural in the study area. For analyzing the problems in production of horticultural and marketing of horticultural, factor analysis has been used. For analyzing the problems in production of horticultural under Friedman test has been used.

The problems in horticultural production have been explained with the help of factor analysis. The results revealed that the most important horticultural production problem variables are irrigation, affected by natural disasters, man power is high, and harvest period's very long, seed unavailability as the correlation coefficients are very high for these variables.

Marketing problems faced by the horticultural farmers have been explained with the help of factor analysis. The findings showed that the most important horticultural marketing problem variables are 'credit sales, irregular payment by marketers, high commission, and unfavorable market conditions as the correlation coefficients are very high for these variables.

The most important problems are financial support in both are horticultural production and marketing of horticultural products. The majority respondents said the financial problem such as capital is huge, lock of capital long periods, maintain cost is very high, bank loan delay, return an income delay, insurance coverage was not risks, Governments subsidy getting in proper time as the correlation coefficients are very high for these variables.

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