ABSTRACT

India’s pulses and spices marketing shows considerable changes during the last one and a half decade. A discerning transformation has occurred in the country’s marketing in pulses and spices. These agricultural products have made dent into developed market economies. India is the major producer as well as exporter of these products. It plays a pivotal role in the overall economic development of the country. As recognition of its obvious significance and relevance to the Indian economy, Government has given special priority to these products in the 10th Five Year Plan for large-scale production and earning foreign exchange through exports. Scientists in India are looking at ways to achieve self-sufficiency in pulses. The fluctuating nature of production scenario of pulses calls for an increased effort to reduce post harvest losses to a maximum possible extent so that the net availability of pulses could be increased.

Value addition is another area in which the pulses industry needs to strive for effective performance. Value addition can substantially be done in the stages of processing and preservation. Processing is done to make raw commodities edible through primary and secondary processing and ready-to-eat through secondary and tertiary processing. At every stage of processing, value is added to the product.

Diversification and Packaging in the product have great potential for value addition in pulses. A properly graded and packed grain fetches a premium price to the marketers and hence can be encouraged as a tool for value addition at farmer’s level to realize more income from the farm produce.

India has also been a home of many spices like pepper, cardamom, garlic, ginger, cinnamon, etc. Spices are used in food, body care and indigenous medicinal preparations. Within the past one decade the international trade in spices has grown by leaps and bounds. The remarkable achievement in exports of Indian spices has caused a sea change in the industry scenario. From traditional commodity exports, Indian Spices have evolved into a state-of-the-art industry in
aspects like absorbing technology, broad basing its products range, developing value added products, identifying niche markets, forging strategic alliances and clinching global collaborations and joint ventures.

Quality and specifications have played an increasingly significant role in the supply chain and purchasing decisions. Quality is judged according to the appearance, aroma and texture. Over the past decade, the Indian spices industry has made quality the cutting edge of its global game plan. With the growing recognition of importance of spices, domestic growers realize that there is an increasing demand for value added spices. There is a need to develop further processed products ready for use which can be used as ingredients with little or no further processing, or new items, all of which give added value, instead of shipping raw agricultural materials. Value addition drive requires extensive market research to determine the market potential for the value added products. Consumers continue to seek healthy lifestyle; they have to become more sensitive to their nutritional intake. The appeal of natural products like spices is driving the consumer interest in these items. Spices packaging is another area where value addition can be introduced. Exposure to moisture and heat is to be minimized at all times. They should be packed in materials that ensure the optimum quality of a product like glass bottles; plastic bags double bagged in paper, foil laminated pouches. Real value addition in spices occurs in developed countries in the form of processing and packing in attractive packages. Another form of value addition is development of new products and new uses that involve heavy investments in research and development.

Value addition activities in marketing of pulses and spices will create tremendous employment to rural people including women and prevent capital drain from rural to urban areas and thereby narrow down the economic disparity between rural and urban population. The process of industrialization in the country is changing the structure of rural economy. Concentrating on the agricultural produce, processing and value addition and its trade to urban areas will make farmers and rural people not merely the producers of raw materials but will also
develop them into the entrepreneurs who add value and provide good living and hence cause prosperity to the whole rural lot.

The scope of this study covers all pulses in general but major pulses have been selected and studied on account of their sizeable share in total pulses production and export trade of India. The following major pulses have been included in the study:

1) Chick pea
2) Pigeon pea
3) Mung bean
4) Field pea

Among spices, the following main crops have been included:

1) Black pepper
2) Chilli
3) Ginger
4) Garlic
5) Cardamom

The study is mainly exploratory in nature in the sense that it is mostly directed towards identifying the various ways of adding value to the products under study to improve their marketing. The exploratory nature has necessitated keeping the coverage of the study broad enough to include the varied marketing aspects. An attempt has been made to relate each aspect of the study with a managerial line of action based on it. This enhances the value of the project beyond the pure academic level. Taking into account the secondary as well as primary data (obtained by an elaborate consumers' survey in four cities of the northern zone of the country) an effort has been made to sense the pulse of the market.

When secondary data sources did not provide sufficient data, primary data was collected using survey method which is the most common method of collecting primary data for marketing studies. Survey is done with the administration of questionnaires by interviewing the target group of consumers.
A stratified two stage sampling design has been used. Stratification has been done on the basis of the type of city. The following two types of cities have been included in the study:

Types of cities: 1. Large size cities & 2. Small cities

In the first stage two cities were selected from each type of the city. In the second stage respondents have been taken in equal number from each of the cities to ensure sufficient representation of each city. The whole population (Northern India) has been covered. Out of this zone four cities were chosen on convenience basis. The sample size of 400 was distributed to these selected cities in equal numbers. The allocation of sample was as follows:

<table>
<thead>
<tr>
<th>Districts/ Cities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ludhiana</td>
<td>100</td>
</tr>
<tr>
<td>Srinagar</td>
<td>100</td>
</tr>
<tr>
<td>Delhi</td>
<td>100</td>
</tr>
<tr>
<td>Aligarh</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>400</td>
</tr>
</tbody>
</table>

For the purpose of drawing conclusions and testing of hypothesis, the following methods were used in the process of data analysis:

1. Frequency and percentage calculation for different parameters
2. Rank coefficient using the ranks and multiplying them with the appropriate weightage-coefficients rank wise
3. Spearman’s correlation coefficient for comparing the two sets of similar data obtained from respondents
4. Rating scores for Likert scale analysis by multiplying the frequencies with the appropriate weightage coefficients
5. Chi square test for independence / significance test

In the above analyses SPSS package was used for calculating the values.

The presentation of this thesis has been made into thirteen chapters and a few annexures. Major conclusions and suggestions given in different chapters are the following:
CONCLUSIONS & SUGGESTIONS:

India is the world’s largest producer of pulses, which are an integral part of the Indian diet as they provide much needed protein. Pulses are grown in both the kharif and rabi seasons, with 60 percent produced in the rabi. Most are grown under non-irrigated conditions, and depend largely on monsoon and winter rains for growth. Limited varietal improvements, low resilience to moisture stress and pest infestation, and a lack of Government support programmes have contributed to low production. Besides domestic output, India also imports around 300,000-400,000 tonnes chana per year. Main countries of imports are Canada, Australia, Iran and Myanmar.

There has not been any improvement in the production and productivity of pulse crops in India. The net availability (calculated from production figures) of pulses came down from 41.6 gms/day per person in 1991 to 31.5 gms/day per person in 2005. Unlike other food grains crops, even green revolution could not increase the per capita availability of pulses.

The recent surge in import of pulses is also costing heavily in terms of valuable foreign exchange. Short supply of pulse crop has led to increase in prices, thereby pushing pulses out of the reach of poor households, thus negatively affecting their nutrition and productivity. The remedy for above problems is to identify the niches where pulse productivity and area can be increased with cost effective technology and management methods. However the evidence clearly shows that to increase pulse production and consumption, it is required to have a region specific approach, as different pulse crops grow in different regions. The consumer preference for different pulse crops also varies widely across regions. The growing international market for pulse crops is an opportunity as well as a threat for pulse farmers as the increase in productivity and competitiveness of pulse crops leads to a growing world demand for pulses export. Only increasing our competitiveness by producing at low cost, which is affordable to the mass population, can help achieve this objective.
For a long period India has been among the world leaders in the production and trade in spices. India has also the largest domestic market for spices in the world. At the international commercial level, India has been encountering intensified competition in the market for bulk spices of black pepper, cardamom, ginger and other spices. Its inability to compete on the basis of cost is constrained by the relative dynamism of its own domestic market and by comparatively low yields of many spices at the farm level.

India has the advantage of competitive work force, relatively low production costs and a huge domestic market. Better measures for production acceleration and diversification of markets are the two essential things required at present. The export of spices need to be accelerated which can be done by increasing production through advanced technology such as encouraging private entrepreneurs to start processing industries for extraction of essential oils, development of storage and warehousing, transport and market infrastructure of the country. Encouraging coordination among different research institutions, government departments, Export Promotion Organizations, exporters and producers will pave a way for increased exports.

The policy on pulses in India seems to be ambivalent. Policy-makers and planners recognize quite explicitly the importance of pulses in the diet of less-affluent people and have consistently drawn up plans to secure an adequate domestic supply. The practice is of the setting of production targets based on consumption estimates. The consumption targets are tagged to population, and have consistently outstripped domestic supply, by as much as around 3 million tons annually. Current findings, however, show that the income elasticity for pulses is positive, and that demand seems to be well entrenched in lower as well as middle income groups.

Recent trends in increased consumption of spices in the world food market and growing health concerns have made it to view global spices production and marketing in a significantly changed perspective. Spices are now perceived as an essential ingredient of foods and not merely another commodity. The future success of spices industry, to a great degree, depends on the ability to establish
standards and regulation for production, processing and marketing the commodity. These regulations have to be in balance with the economics of production, the realities of provable health claims from utilization and the marketing factors that are characteristic to the industry. India has to take a number of coherent steps to increase the productivity and reduce the production cost. The only option is to raise productivity to international levels so that the prices could be competitive without affecting the income of our farmers. The major input, which can offer a higher productivity, is high yielding varieties.

Today we live in a visual society where images influence our buying decisions with only a second to capture consumer attention. In packaging of food products in general, and pulses and spices in particular, it is the outside beauty that counts and success of a product depends on the package that gets noticed first, the one that is professionally designed, printed and labeled. This implies that sellers/processors should try to present their products in alternative packages to satisfy the individual needs of different segments of users. Small packs appear to be more popular and acceptable in most of the segments. Marketers need to live up to their image to sustain customers and thereby should come up with different packaging strategies for different segments as per their expectations. There is a need to focus on the most important aspect of cost reduction in packaging and food-package compatibility issues. Not only are new materials being developed and new machines being introduced but also new methods of storage, distribution and marketing are being pioneered.

The post harvest technology in pulses in recent times has attracted attention as a powerful tool for rural industrialization. There is a sizeable quantitative and qualitative loss of pulses during different post-harvest stages. Hence, it is appropriate to give due emphasis to reduce qualitative as well as quantitative losses of pulses during post-harvest operations. A good post harvest management, the right stage to decide the quality size, color, fiber content, volatile oil, chewing quality, splitting, clean drying, proper winnowing to remove dirt, chaff, plant parts, birds’ droppings, rat excreta and hair followed with hygienic and well
ventilated godowns would ensure the desired quality of produce for sale. Competition is fierce and quality, cleanliness, packaging, proper storage and warehousing facilities and distribution should be improved in order to survive price wars. Branding plays a crucial role in repeat purchases in spices and it is desirable for companies to promote their brand name strongly to capture suitable chunks of the market.

With the onset of industrialization most of the processing activities have been shifted to urban areas where infrastructural facilities are available. There is a strong need to reverse this trend and create means to increase income of rural people and generate employment opportunities in rural areas. Processing and value addition can be very powerful tools to achieve this goal. It provides an important opportunity for marketers that they should come up with strong brands in pulses to make consumers loyal to them by emphasizing on image building of the brands. The onus solely lies on the marketers, to orchestrate effective campaigns and deliver quality products to create brand loyalty among the consumers. Marketers also need to revise prices to bring it in consonance with the consumers’ perceived level. This step may boost the sales of these products.

The survey indicates the characteristics of spices more desired for value addition and improvement. Highest priority is given to cleanliness and Hygiene followed by branding and packaging. It simply implies that there is a lot of potential in these factors, figuring on top priority, to add value in pulses and spices in the eyes of consumers.

Thus marketers need to come up with different strategies for different cities to make the consumers’ preferences in their favor and retain their loyalties. Marketers will have to design different strategies for different consumer segments depending on their requirements. Branding and higher productivity could also help. That is, by increasing productivity due to higher economies of scale, costs can go down thereby increasing the profit margins. In order to add a unique selling proposition (USP) to spices, value addition seems to be a better answer to that problem.