AN ANALYSIS OF PRICING AND MARKETING OF CONSUMER PERISHABLE GOODS
(A CASE STUDY OF FRUITS AND VEGETABLES IN DISTRICT MEERUT)

SUMMARY

CONCEPT OF MARKETING

Marketing is not a new concept. It is another matter that now a proper marketing system has been developed and it has become an important part of business cycle. Now a proper platform has been given to the study of marketing and it is being realized that marketing is an art of selling product. It is observed that in recent years, the functions of marketing in India have got tremendous changes and now it has converted into a profession. In the present scenario marketing means the creation of demand rather than the creation of customers, for products and services.

The present concept of marketing is comparatively a recent concept of management activity which actually got its shape with the beginning of 20th century. Marketing is not only concerned with selling of products but on the other hand it helps to bridge the gap between producers and ultimate users of the products manufactured by the different producers. The basic definition of marketing according to Webster’s Dictionary is “Marketing is the act or process of selling or purchasing in a market”. This definition makes
it clear that through marketing you can sell your products to the ultimate users.

Hence modern marketing concept has become the demand of the time. It involves selling of goods with the satisfaction of consumers. Thus it can be said that “Marketing not only involved in itself the creative and attractive selling techniques but also suggested the area of production which satisfy the consumer most”. Now with the time being it is realized that the proper developments of marketing activities are vitally important for the survival and progress of any business. Today various marketing concepts like selling, pricing, product development, distributions etc. are needed to be developed. Other silent features of marketing are creating more employment opportunities, developing a healthy competitive business environment, utilization of the available resources in the country etc.

**CONCEPT OF PRICING**

Pricing is a very complex phenomenon. When we discuss about pricing it becomes very much difficult to put it into any standard definition, because of its complexity. But in general, the term “Price” is used to mean the money value of any product or service. When a buyer and seller mutually agree on price, exchange of goods and services take place leading to transfer of ownership. Actually Price is all around us, but it may be different with the different point of view. Suppose we pay rent for a house, tuition fee for our education and fee to a Doctor, they all are examples of price.
Likewise the price of an executive is his salary, the price of a sales person may be a commission, and the price of a worker is his wages.

Now the question arises “**How the prices are determined?**” It means how the practice of pricing is being performed. Basically pricing is one of the most flexible elements. It can change quickly, unlike product features and channel commitments. Sellers quote different prices under different situations for the same commodities or services. The listed price may be charged in the ordinary course of sales transactions. Some allowance may be given to staff members or to some other category of customers and a reduced price may be charged from them. Similarly, there may be variations in prices due to trade and cash discounts, credit terms, payment period etc.

Pricing can be considered as the marketing mix elements that produces revenue. While deciding price, the company first decide where it is planning to sell its products. It can be said that “The more clear a firm’s objective, the easier it is to get price.” A company can target any of five major objectives through pricing which are of great importance like survival, maximum current profit, maximum market, product quality leadership and market skimming.
IMPORTANCE OF FRUITS AND VEGETABLES FOR MASSES IN INDIA

Fruit and vegetables are of great importance in our life. These produces are not only useful and beneficial to those who are directly involved in the production of these produces, but these are also of great importance to those who run several other industries like pickle, Medicare and jam-jelly industry and are involved in the further processing of Fruits and Vegetables in the country.

As we know that industrialization is necessary for the development of any economy and these produces provide raw material to many of these industries and contribute a lot in the economic development of a country. In India these produces are grown in rural areas and provide a better source of earning their livelihood to the growers in direct manner and also provide employment opportunities to other villagers in the form of field workers and other workers required for transporting these produces from fields to the markets etc. Pickle industry is one of the growing industries in India. Fruits and Vegetables have their specific importance in the growth of this industry because these produces poses as a raw material for the final products i.e. pickle, murrabba etc, produced by this industry. For the growth of the country’s economy, participation of export business can not be underestimated as this industry is working well on this front. As India is a developing country and the growth of India is possible only through the best utilization of its natural resources. Though these produces are also the gift of nature, yet required a high degree
of carefulness and labor towards their production. Indian pickles have great demand in foreign countries and this Industry can grow only when proper supply of raw material i.e. Fruits and Vegetables will be maintained properly.

As far as the export of these produces at their primary stage is concerned, these are also of great importance at that front. Indian mangoes are also in great demand. According to a study near about 220 varieties of mangoes have been developed in India and out of them near about 60 varieties are being exported. At the same front ‘Kashmiri apple ‘are in great demand and of great importance. Every year a large amount of foreign currencies are earned from the supply of Fruits and Vegetables in the foreign countries.

JUSTIFICATION OF THE STUDY

Fruits and vegetables have an immense importance in the lives of human beings but these are becoming dearer and dearer day by day. The main reasons of such a phenomenon are lack of proper knowledge of growers about the marketing of these produces at local, national and international levels; involvements of a large number of marketing intermediaries due to which a huge amount is to bear by ultimate consumers in the form of marketing expenses and margins at different levels; expensive transportation; defective marketing system and seasonal and perishable nature of Fruits and Vegetables. Due to the above features these produces are going far away from the reach of the masses. In such circumstances it seems necessary to conduct a research study in this direction so that the
pricing and marketing problems which are being faced by growers and ultimate consumers of these perishable produces may be analyzed at roots. For this purpose the researcher selected the topic entitled “AN ANALYSIS OF PRICING AND MARKETING OF CONSUMER PERISHABLE GOODS (A CASE STUDY OF FRUITS AND VEGETABLES IN DISTRICT MEERUT).” It is believed that the suggestions made on the basis of this research study would prove helpful in solving the defects prevailing in the pricing and marketing systems of Fruits and Vegetables in the area under study and would attract the attention of Government officials, growers and marketing intermediaries involved therein.

OBJECTIVES OF THE STUDY

The main objectives of the study are given below:

1. To study the concept of pricing and marketing.
2. To study the importance of Fruits and Vegetables for masses in India.
3. To study pricing methods and price trends of Fruits and Vegetables.
4. To study the marketing structure at Local, National and International levels.
5. To analyze marketing charges at different levels of selling.
6. To analyze marketing margins at different levels of marketing.
7. To study the factors affecting marketing of Fruits and Vegetables.
8. To study Government policies regarding pricing and marketing of Fruits and Vegetables.
9. To draw conclusion and to propose suggestions in the light of the study.

LIMITATIONS OF THE STUDY

This research work was completed under certain limitations like ignorance of growers, non-co-operation of arhatiyas, lack of co-operation of employees working in the concerned departments, scarcity of literature and time limitations etc.

REVIEW OF LITERATURE

On going through the literature available on pricing and marketing, it has been observed that most of eminent authorities emphasized on the pricing and marketing of agricultural produces as a whole and about fruits and vegetables, rarely any authority expressed his views. Anyhow this study formed a part of giving proper guide line in carrying on this research study.

RESEARCH METHODOLOGY

The following methodology has been adopted to conduct the proposed research work:
1. SAMPLE DESIGN

To conduct the survey five Fruits and five Vegetables mandies have been selected taking in view that these are from different places of the District and are of different sizes. Total 400 i.e. 200 Fruits and 200 Vegetables merchants have been selected i.e. 80 from each mandi at random basis.

2. PERIOD OF STUDY

The proposed research work has been conducted at both macro and micro levels. For macro level study the period from 1994-95 to 2003-04 and for micro level study the year 2003-04 has been taken.

3. COLLECTION OF DATA AND INFORMATION

In this study both primary and secondary data were used frequently. Primary data and informations were collected through three Questionnaires which were prepared for this purpose. Because of the language problem the Questionnaires were prepared in Hindi and the secondary data were collected from the office records of the related departments.

4. TABULATION AND ANALYSIS OF DATA

The secondary data and the data collected through personal interviews from selected units were tabulated in various tables according to the requirements of the study.
After completing the tabulation work, an analysis was made using different statistical and mathematical tools so that the factual position of related aspects might be find out and the logical conclusions might be drawn from the study.

In the end the results of the study were interpreted in such a simple and systematic way so that these may prove useful to both growers and others who deal in Fruits and Vegetables.

5. STATISTICAL TOOLS USED

For the purpose of analyzing the data, the following statistical tools were applied:

I. Arithmetic mean
II. Trend values
III. Fixed base index numbers
IV. Chain base index numbers

HYPOTHESIS

This research study was based on the following presumptions:
1. The pricing structure is not stable and systematic in case of fruits and vegetables.
2. The marketing structure of fruits and vegetables is not up to mark at local, national and international levels.
3. Marketing charges and margins are too high in case of fruits and vegetables.
4. Government is not sincere for the promotion of marketing of fruits and vegetables.
5. Marketing charges and margins may be reduced by improving marketing system of the produces under study.

**PRICING METHODS AND PRICE TRENDS**

Pricing is an important element of the marketing mix. It can be used as a strategic marketing variable to meet competition. It is also a direct source of revenue for the firm. Hence, to get the maximum possible benefit of pricing various pricing methods must be considered while working on the pricing policy for any product. Generally the following methods are being used for the price determination of Fruits and Vegetables in the area of study-

1. **Cost- plus or full cost pricing**

2. **Pricing for a rate of return or target pricing**

3. **Marginal cost pricing**

4. **Going rate pricing**

5. **Customary pricing**

6. **Market plus pricing**

**APPLICABILITY OF THE ABOVE METHODS IN CASE OF FRUITS AND VEGETABLES**

The first method of pricing is most commonly used method of pricing and do followed in case of fruits and vegetables. But the
applicability of this method is practically not possible at the grower’s level, but wholesalers and retailers of fruits and vegetables follow this method with higher degree of success, as in their case cost determination is very easy.

The second method is also not possible to apply at grower’s level, as in case of fruits and vegetables cost determinants at that level are very much complex and output form the same area also varies with seasonal factors. But it is used at the other levels of marketing.

In rare cases, the third method of pricing is found to be followed at different levels of marketing. Only when the season of a particular product gets ended, the wholesaler and retailer of the produces seem to follow this method of pricing.

The fourth one is the most common used method of pricing at all levels of marketing. In Mandi Samiti Yards generally the prevailing rates are followed by the arhatiyas, which are decided by the majority of the arhatiyas.

The method of customary pricing is followed in case, only when the cost changes significantly. The main belief of the seller at any level is that if he will not follow the customary price he has to face difficulty to sell his produces.

The last method of pricing is generally followed, when any seasonal produce either fruit or vegetable comes in the market.
ANALYSIS OF MANDI PRICE AND PRICE TRENDS OF FRUITS AND VEGETABLES

The average price of Potato kept on fluctuating between Rs. 162.58 per quintal and Rs. 295.76 per quintal, during the period of study i.e. From 1994-95 to 2003-04. On analyzing the fact, we find that the price of Potato was lowest in the year 1999-00 whereas the highest price of Potato was observed in the year 1996-97. If we have a look on the trend values of Potato we find a slopping upward trend from Rs. 212.33 in the year 1994-95 to Rs. 219.35 in the year 2003-04. The reason of such uneven fluctuations in the prices of said produce may be the uncertainty in the production of this crop.

The average prices of Tomato remained fluctuating with different degree of increase and decrease between Rs. 312.08 per quintal and Rs. 626.42 per quintal during 1994-95 and 2003-04. The average price of Tomato was lowest in the year 2003-04 and it was highest in the 1996-97. But as far as trend values are concerned these are showing a slopping downward trend starting from Rs.435.16 per quintal in 1994-95 to Rs. 391.42 per quintal in 2003-04, which is practically, seems untoward. If we analyses the facts, we find that only the prices of 1996-97 are directly responsible for this impractical problem of downward price trends.

The average prices of Radish remained fluctuating between Rs. 140.36 per quintal and Rs. 178.58 per quintal during 1994-95 and 2003-04. The price of Radish was lowest in the year 1995-96 and highest in the year 1996-97. If we have a look on the trend
values, we come to know that these are showing a slopping upward trend which starts from Rs. 156.45 in the year 1994-95 and reached at Rs. 163.38 in the year 2003-04.

The average prices of Gourd remained fluctuating between Rs. 220.46 per quintal and Rs. 334.17 per quintal during 1994-95 and 2003-04. The average prices of Gourd was found lowest in the year 1994-95 and it was found highest in the year 2003-04. The reason of such uneven fluctuations in the prices of the said produce are the uncertainty in the production of this crop due to weather conditions and market demand of this produce.

The average price of Onion kept on fluctuating between Rs. 280.49 per quintal and Rs. 648.72 per quintal during the period of study i.e. from 1994-95 to 2003-04. The price of Onion was found lowest in the year 1994-95 and it was found highest in the year 1996-97. It was also observed that the price of Onion in the year 1996-97 was very high as compared to the prices of the remaining years. Because of that odd figure the overall price trend of the produce showed a negative effect i.e. a slopping downward trend, which practically seems untoward.

The average prices of Pomegranate remained fluctuating between Rs. 1,024.28 per quintal and Rs. 1,263.42 per quintal during the period of study i.e. from 1994-95 to 2003-04. The average price of pomegranate was lowest in the year 1998-99, whereas the highest price was found in the year 1996-97. This particular product seems very less affected with price fluctuations.
If any fluctuation is there, it can be regarded due to demand and supply.

The average prices of Banana remained fluctuating between Rs. 205.62 per quintal and Rs. 314.50 per quintal during the study period i.e. from 1994-95 to 2003-04. The lowest price of banana was found in the year 1994-95 and the highest price of Banana was observed in the year 2002-03. Fluctuations in the prices of banana is not that much uneven as it prevail in case of other fruits and vegetables. The main reason of this minor increase can be treated as a result of only the price inflation. It is also observed that the prices of Banana got increased year by year, which seems very genuine.

The average prices of Apple remained fluctuating between Rs. 1,477.55 per quintal to Rs. 2,182.58 per quintal during 1994-95 and 2003-04. The price of this produce was lowest in the year 1999-00 and highest in the year 2001-02. The reason of such a low price of this produce in 1999-00 was the low quality, high supply and a very low demand during this period.

The average prices of Guava kept on fluctuating during the period of study between Rs. 240.71 per quintal and Rs. 392.60 per quintal. The average price of the said produce was lowest in the year 1994-95 and it was found highest in the year 2003-04. The prices of this produce got fluctuated during this period with a moderate degree. It is another matter that in the year 1996-97, a high degree of fluctuation was found, but it was because of the poor supply of the said produce.
The average prices of Mango remained fluctuating between Rs.440.94 Per quintal and Rs. 820.00 per quintal during 1994-95 and 2003-04. The price of mango was found lowest in the year 1994-95 and highest in the year 2003-04. There is a very high degree of price fluctuation in the prices of this popular fruit. One reason for this fluctuation was the popularity of this produce in the country as well as abroad. Because of this factor the demand of this produce remains very high as compared to its availability. It was also found that the quantum of produce is getting lesser year by year and also the quality and quantum gets affected with so many diseases very soon. Unawareness of growers and continuous reducing production area is also a cause of price fluctuations in the said produce.

**REASONS FOR PRICE FLUCTUATIONS**

During the study period it’s being observed that there have been so many reasons due to which we noticed fluctuations in the price of Fruits and Vegetables such as increase or decrease in demand, increase or decrease in supply, weather and the perishable nature of fruits and vegetables. Moreover, the increase and decrease in the demand and supply of these produces have been performed an important role in the fluctuation in the prices of these produces.
MARKETING STRUCTURE OF FRUITS AND VEGETABLES

Marketing is the performance of business activities that directs the flow of goods and services from producer to ultimate consumers. Marketing involves all those activities which affect the transfer of ownership and possession of goods and services and provide for their distribution among large number of consumers spread throughout the region. Marketing is a process by which goods and services are exchanged and their prices are fixed in term of money units. In fact it is a business activity through which human wants are satisfied and purchase and sales of goods and services are performed effectively.

Generally the following marketing structures are followed for the marketing of Fruits and Vegetables in the area of study-

MARKETING STRUCTURE AT LOCAL LEVEL

Ist structure-
Growers ➔ Mandi Samiti Yards ➔ Wholesalers ➔ Retailers ➔ Consumers

IIInd structure-
Growers ➔ Urban Open Markets (agents) ➔ Retailers ➔ Consumers

IIIIrd structure-
Growers ➔ Urban Open Markets (retailers) ➔ Consumers

IVth structure
Growers ➔ Consumers

(16)
Vth structure-

Growers ➔ Contractors cum Traders ➔ Wholesalers ➔ Retailers ➔ Consumers

MARKETING STRUCTURE AT NATIONAL LEVEL

Ist structure-

Growers ➔ Mandi Samiti Yards ➔ Commission Agents ➔ Wholesalers ➔ Retailers ➔ Consumers

IIInd structure

Growers ➔ Wholesalers in other state ➔ Retailers ➔ Consumers

MARKETING STRUCTURE AT INTERNATIONAL LEVEL

Ist structure-

Growers ➔ Domestic Middlemen ➔ Middlemen in Foreign Markets ➔ Consumers in Foreign Markets

IIInd structure-

Growers ➔ Middlemen in Foreign Markets ➔ Retail Outlet in Foreign Markets ➔ Consumers in Foreign Markets

ANALYSIS OF MARKETING CHARGES AND MARGINS

In modern marketing system, the marketing area of a produce becomes so wide that the commodity reaches in the hands of
ultimate consumers passing through different marketing channels. Due to all this an attractive share of marketing expenses and margins get involved in the final cost of the produces. These marketing channels do have significant importance but it is a bare fact that each and every marketing channel, used for physical distribution of a produce has its own cost. So it becomes inevitable to go through all the expenses and margins at different levels of marketing, so that it may clearly be judged whether these expenses and margins are justified, and every marketing channel is getting its share in a justified manner. It is also important to know the significance of marketing intermediaries involved in the physical distribution of produces, as marketing intermediaries must be limited up to the level of their exact need.
On the contrary, when a manufacturer or grower has a desire to enter in the competitive global market, he must concentrate over marketing charges at different levels of marketing intermediaries. By doing so he may check the unnecessary expenses of marketing and may reduce the price of his produce up to the competitive level. It is also important to know whether the producer or grower is getting the justified share in consumer’s price, because if there is no balance between producer’s margin and marketing margins of intermediaries the looser would be inactive and would affect the whole cycle of production and marketing.

In the process of marketing of their produces, the selected vegetables and fruits growers of Uttar Pradesh take the help of many intermediaries and functionaries. No matter who performs the functions of marketing or how they are organized, each of the operations of marketing involves certain costs viz. packing cost, grading cost, Mandi Samiti charges, loading and unloading, transportation cost, commission to arhatiyas, wastage etc. Besides all these costs, the time and efforts spent in selling produces and directing their movement too, is expensive. Moreover, a considerable investment is tied up in the products moving through the marketing system and considerable risks are involved viz. risk of loss through spoilage or through price changes. The costliness of marketing is not often well understood by farmers or by consumers, or even by persons close to the marketing system itself. This is so in case of fruits and vegetables. After the production of Fruits and
Vegetables for their marketing, a number of expenses are incurred by different agencies involved at different levels. These expenses are incurred at three main levels of marketing i.e. at Grower’s level, at Wholesaler’s level and at Retailer’s level.

**GROWER’S EXPENSES**

The growers of fruits and vegetables have to incur approximately Rs. 33 per quintal as marketing expenses. Out of these total expenses Rs. 20 per quintal i.e. 60.61% goes as packing expenses, Rs. 10 per quintal i.e. 30.30% goes for transportation, Rs. 2 per quintal i.e. 6.06% goes for palledari charges and Re. 1 per quintal i.e. 3.03% is spent as weighing charges.

**WHOLESALER’S EXPENSES**

A wholesaler has to incur approximately Rs.137 per quintal on marketing of fruits and vegetables. The marketing expenses at wholesaler’s level comprises two categories of expenses namely mandi expenses and other operating expenses. Out of these expenses, Mandi expenses constitute about Rs.67 per quintal i.e. 48.91% of total marketing expenses and other operating expenses constitute about Rs.70 per quintal i.e. 51.09% of total marketing expenses.

Operating expenses include packing expense, which vary with the product requirements. For example in case of some fruits like
grapes, pomegranates, lichi, and other delicate produces this expense goes up to Rs.60 per quintal.

RETAILER’S EXPENSES

A retailer has to incur Rs.75 (approx.) per quintal on fruits and vegetables as marketing expenses. Out of these expenses Rs.15 per quintal i.e.20% goes for handling charges, Rs.10 per quintal i.e. 13.33% goes for distribution point expenses and Rs.50 per quintal i.e. 66.67% goes in wastage. The expenses at retailer’s level seem quite reasonable and these can not be reduced even by doing extra efforts.

Thus total marketing expenditure at different levels of marketing comes about Rs.245 per quintal. Out of which Rs.33 per quintal i.e. 13.47% are incurred at grower’s Rs.137 per quintal i.e. 55.92% are incurred at wholesaler’s level and Rs.75 i.e. 30.61% are incurred at retailer’s level. Here it is to be noted that the rate of marketing expenses at wholesaler’s level is very high i.e. 55.92% of total marketing expenses at different levels. Moreover, these expenses at wholesaler’s level are more than the total marketing expenses incurred by growers and retailers. So some extra efforts are needed to be done to reduce these expenses to the reasonable extent.

GROWER’S MARGIN

The grower’s margin comes about Rs.200 per quintal. But here it is to be noted that this margin is the net surplus, which
comes after subtracting cost of production and marketing expenses from the mandi price. Here cost of production includes- cost of seeds, cost of fertilizer, labour cost and other expenses incurred to make the produces salable in the Mandi Samiti Yards. As far as margin at grower’s level is concerned, it is quite reasonable. During the study period large variations were observed in this margin, because of variations in cost of production.

**WHOLESALER’S MARGIN**

Wholesaler’s margin in case of fruits and vegetables comes about Rs.126 per quintal. This margin actually represents excess of wholesaler’s sale price over his purchasing prize and marketing expenses. Here we see that wholesaler’s margin is less than his marketing expenses. The rate of return is about 10%, which is quite reasonable. Though a wholesaler gets very little margin, but ultimately he earn more because of the quantum of salable produces.

During the study period sometimes, it is also found that wholesalers dispose-off these produces at the lower margin of 2 to 5 percent because of the high supply and low demand in the market.

**RETAILER’S MARGIN**

A retailer’s margin comes about Rs.446 per quintal i.e. 25% of the sale price to consumers, which seems very high. If we carefully analyze, we find this margin at retailer’s level is more than
the total of earlier two levels i.e. grower’s level and wholesaler’s level.

A retailer invests very less amount and earn high rate of return as compared to growers and wholesalers. The reason of such high rate of return is that, a retailer sells fruits and vegetables in very small quantity and earns his bread by charging the profits at high rates.

During the study period sometimes it is also found that these retailers charge, up to 50% of margin in case of some seasonal produce. Actually this is the level, where a lot of variations are found in prices of commodity. At this level variations are also observed as per the market. For example where high paying capacity consumers deal, the prices are found comparatively high and vice versa. This statement makes it clear that the retailers modify their quoted price according to the paying capacity of the consumers. This malpractice ultimately creates fluctuation in the prices of the produces.

Over all Rs.772 per quintal is charged as a marketing margin at different levels of sales. Out of this margin Rs.200 per quintal i.e. 25.91% of total marketing margins is charged by the growers, Rs.126 per quintal i.e. 16.32% of total marketing margins is charged by the wholesalers and Rs. 446 per quintal i.e. 57.77% of total marketing margins is charged by the retailers. From the above statement we came to know that margin charged at retailer’s level is very high. It is about more then half of the marketing margins charged at all levels of sales.
During the year 2003-04 in Meerut district the grower’s share in consumer’s price was about 54.21%. Total marketing charges were about Rs. 245 per quintal i.e. 13.73% of price paid by the consumers. Margins charged at wholesaler’s level and retailer’s level was Rs.572 per quintal i.e. 32.06% of price paid by the consumers. It has been further observed that out of his share i.e. Rs. 967, a grower has to incur production cost Rs. 767 per quintal as calculated in table no. 5.5. In this way he gets only Rs.200 per quintal as margin, which is about 11.21% of consumer’s price. Hence it can be said that the intermediaries earn nearly 3 times margin than the growers.

**FACTORS AFFECTING PRICING AND MARKETING**

Pricing as well as marketing both are very sensitive matters in case of perishable goods. Perishability of any product works in two ways together negative & positive. In case of Fruits and Vegetables the sensitivity of pricing & marketing become more complex because of the factors involved in this matter, such as perishable nature of produces, transportation problem, limited availability, demand, government policies, seasonal factors various diseases, high cost of production and marketing charges etc. While taking decisions regarding the pricing and making strategy about marketing of said produces, these factors are needed to be considered positively.
Export factor posses a great impact on the pricing and marketing of Fruits and Vegetables. Exports of any product or produces are possible only, when it passes through some specified standards. In case of Fruits and Vegetables grading, packaging and methods of preservation decide the standards. So to go through the grading process a top quality produce is required and but of course the remaining produce is of lower quality and caused a variation in the prices. A high cost of finance is also an influencing factor and required a great attention. Government Policy also plays an important role to decide the price structure of Fruits and Vegetable. On ground of price fixation government plays no role that causes a lot of fluctuations in the price structure. As far as the promotion of these produce is concerned not a very satisfactory step has been taken at that ground. Processing of Fruits and Vegetables is also performed traditionally which costs a lot and also affects their original shape and taste. Involvement of different marketing intermediaries can also be considered as an influencing factor. It is true that certain intermediaries are required to sell the produces. But now it is observed that involvement of these intermediaries seems to touch the insignificant level, which can not be considered in favor of the promotion of the said produces.

**GOVERNMENT POLICIES AND INTERVENTION**

Role of Government is very important to provide a strong platform for the promotion of any commodity whatever it is. Different strategies and procedures adopted by the Government for
the price fixation and promotion of Fruits and Vegetables are equally important. But at the front of price fixation, our Government keeps a very silent mode which is a part of criticism. As far as promotion of these produces is concerned our Government has taken some steps in this regard.

Since the agro-climatic conditions in many parts of Utter Pradesh are most conducive for the production of temperate Vegetables and Fruits to a large extent, the problem of marketing of these commodities has utmost importance from the point of view of producer as well as consumers. This is all the more important because Fruits and Vegetables can not be stored for long periods for reasons of their perishable nature. In their case the speed as well as efficiency of marketing operations is crucial in determining profits from the produce, on the one hand and the level of satisfaction of the consumer on the other hand. State Government of Uttar Pradesh has played a very important role for the promotion of Fruits and Vegetables and to ensure remunerative prices to growers for their produce. In this regard Government has taken the following steps:

1. ORGANIZING AGRICULTURAL FAIR

In Meerut District a specific unit of Sardar Ballabh Bhai Patel Agricultural University is engaged in research and development. This university time to time organizes different innovative events for providing benefits to the growers. Different verity of same produce is exhibited during this session. The
growers are asked to produce better quality of produces with very little efforts so that they may be able to reduce the cost and improve the quality of the produce compatible in the international market.

2. BRAND PROMOTION PROGRAMS

In Meerut district mangos are sent to various brand promotion programs, organized by different parts of the country.

3. VARIOUS SCHEMES FOR FALL PATTI KSHETRA

In Meerut and Sharanpur region the Mango Orchard area has been declared as ‘Fall Patti Kshetra’, so that the benefit of various plans or schemes for these Falls Patti Kshetras can be availed by the growers of these specific areas. Every year in mango season Administration introduced various subsidized plans for the growers of mango so that they can avail the benefits of these schemes. Such kinds of plans are introduced to bring more persons in the production of such produces, which earn foreign currency for the country through their exports.

4. LAUNCHING OF TST SCHEME

As we know that freshness is the prime concern while buying Fruits and Vegetables. It is found that the quality of vegetables and fruits during evening time is usually not found good. Considering the above facts and with certain objective TST (TAZA SASTA TURANT) operations were conceived by
fruits and vegetables team, on trial bases the response of this scheme was very satisfactory.

GOVERNMENT POLICIES REGARDING EXPORT OF FRUITS AND VEGETABLES

For the export of fruits and vegetables the government is bound to work as per the provisions and legal requirements of European Commission which time to time instruct its member countries. India is also one of them. The policy of government and EC`s basic instructions are discussed here under the head “Certification of Fruits and Vegetables for export”:

CERTIFICATION OF FRUITS AND VEGETABLES FOR EXPORT

Taking into consideration that European Commission (EC) has instructed its member countries to introduce checking operations with regard to import of fresh fruits and vegetables at their respective points of entry and, whereas the European Commission shall allow in the normal course entry of such commodities if checks have been carried out in the exporting country and, all relevant information is provided to them in this regard, Directorate General of Foreign Trade, Ministry of Commerce and Industry has issued a Public Notice No. 28 (RE-2002)/2002-2007 dated 02.08.02 laying down, that all the fresh fruits and vegetables exported to European Unions may be
inspected and certified by Directorate of Marketing & Inspection (DMI), Department of Agriculture and Cooperation, Ministry of Agriculture.

Indian government has taken the following steps, first of all Ministry of Commerce and Industry set up a Standing Committee on Fresh Fruits and Vegetables under the Chairmanship of the Chairman, Agricultural and Processed Food Products Export Development Authority (APEDA) to look into formulation of export standards for fresh fruits and vegetables. The Standards could be notified under Agricultural Produce (Grading & Marking) Act, 1937.

Taking above facts into consideration, DMI is implementing Certification Scheme for export of fresh fruits and vegetables to EC countries.

Interested persons can contact nearest office of the DMI for getting details of the Certification Scheme.

**PROPOSED SCHEMES AND POLICIES**

With the changing environment and natural conditions it becomes more important for the government to bring desirable changes in its policy as per the requirement of the growers. This objective can be achieved by providing knowledge of latest technological changes in the production process and Variety of these produces and more over facilitate the export of these produces. The following proposals are under consideration:
1. Establishing Gram Gyan Kandra
2. Amended agriculture insurance scheme

To facilitate agricultural exports, compulsory quality control and grading under Agmark, which is in operation in respect of 34 agricultural commodities, is proposed to be continued. In addition, new laboratories are also proposed to be set up at Tuticorin, Manglore and Alleppey during the Fourth plan relates to Central Agmark Research and Training Institute which will be set up to help in the adoption of technological improvements in the marketing of perishable products like fruits and vegetables.

**SUGGESTIONS**

Here are few suggestions on the basis of conclusions drawn from this research study:

- In order to provide the required incentives to the growers and to improve the quality of their produces, it is necessary to ensure that they get a price commensurate with the quality of their produce. For this, steps are required to be taken for introducing grading of the produce, before its sale by the farmers. At present, sales in the markets usually take place on the basis of visual evaluation of the quality by the buyers, and the growers seldom get a price commensurate with the quality of the produce.
Training programme should be conducted for the proper handling of fruits and vegetables at grower’s level, so that the wastage can be reduced to the minimum level.

The commission of arhatiyas should be reduced to a justified level i.e. 2%.

The development cess is an extra burden on the purchaser of fruits and vegetables. This development cess should be eliminated immediately.

The rate of Mandi Samiti Shulk is very high, which should be reduced up to 1% like in the regulated markets in Delhi.

Fruits and vegetables processing industries should be developed and these should be encouraged to utilize the fruits and vegetables, which are produced in bulk. It will check the wastage and ultimately affect the prices.

There is a great need to make improvement in the marketing structure of fruits and vegetables. Actually the number of intermediaries should be reduced as much as can be possible. By doing so the rate of wastage can be minimized and also the marketing margins may be reduced to a satisfactory level.

As far as the matter of marketing expenses at wholesaler’s level are concerned these are very high. But on the other hand the expenses at this level seem quite genuine, except the wastage at this level. The wastage at this level can be reduced to some extent, if proper packing and handling procedures are adopted at grower’ level.
The Government should introduce schemes like (TST) all over the country as soon as possible. Only such schemes will be able to eliminate all the intermediaries working between producers and ultimate consumers. And the users will get the fruits and vegetables on reasonable price and growers will be successful in getting the fair price of their produces.

The growers of fruits and vegetables should be encouraged to grow fruits and vegetables at commercial level by giving them different types of incentives like improved quality seeds, fertilizer at subsidized rate. By doing so the growers will show their interest in the production of fruits and vegetable and the quality will be improved which will ultimately get them high prices.

The farmers of small holdings should be encouraged to grow fruits and vegetables in their farms and to sell it direct to the ultimate consumers. On the one side it will provide the employment to the growers and on the other side also the consumers of these produces can be successful in getting the fresh fruits and vegetables at a reasonable price.

Research and development programmes should be carried in the direction of developing improved quality seeds, fertilizers and pesticides. Positive results of such programmes will cause production of high quality produces in bulk and the growers would be able to sell the produces at low rate after charging reasonable margin.
- Fixed price shops should be introduced at government level and ultimate consumers should be motivated to buy produces from these shops by making them assured that they will get the value of their money if they buy produces from these shops. Freshness of fruits and vegetables should also be assured to them. It will discourage the bargaining practices which ultimately cause high rate of fluctuation in the prices of said produces.

- Entrepreneur skill should be developed in the growers of fruits and vegetables so that they start growing these produces at commercial level. This thing will check the diversion of growers to other crops.

- Government should be sincere for the implementation of her policies, which are made for the fixation of prices and promotion of marketing of the fruits and vegetables.

If the proper attention is paid to the conclusions and suggestions of the present research study, undoubtedly, the growers would be able to get fair prices of their produces, marketing charges and margins may be reduced to a justified level and ultimate consumers may get fresh fruits and vegetables at reasonable prices.