CONCLUSION AND SUGGESTIONS

CONCLUSION

On the basis of present research work we reached to the following conclusion:

- In local level marketing generally the growers like to sell their produces direct to the ultimate consumers of the nearby areas. Actually they try to avoid the problems of transportation from producing point to Mandi yards.
- The growers of big holdings at local level generally found to sell their produces through Mandi Samiti Yards with the help of commission agents, because the quantity of their produce is very high and needs a prompt flow.
- At national level marketing generally growers sell their produces through Mandi Samiti Yards of that particular state. The reason of such practice is that these Mandi Samiti Yards ensure the prompt flow of their produces.
- At international level marketing of fruits and vegetables generally growers sell their produces through export agencies in the country. This is because of the reason that it is not possible for every grower to make direct contact in foreign countries. Moreover, generally they are not familiar with the legal formalities of export such as order cancellation, delay in payment, quality standard problems etc. For the above all
reasons they sell their produces to the domestic export agencies.

- 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 was 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 found 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 reasons of such uneven price fluctuation 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. A careful study of the average price shows 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. These prices were 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 these fluctuations is the popularity of this fruit 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 & 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.

- In the process of marketing of their produces, the selected vegetable 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 cost 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

- 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 palladari charges and Re. 1 per quintal i.e. 3.03% is spent as weighing charges.

- 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.

1. 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.

2. 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 level 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. 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.
3. 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.

4. 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 purchase price 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 earns 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.

5. 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.
6. 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 profit at high rates.

7. During the study period it was also found that sometimes these retailers charge, up to 50% of margin in case of some seasonal produces. 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.

8. 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.

9. 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.

10. 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 products, 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 products, these factors are needed to be considered positively.

11. Government has made so many policies for the promotion of marketing of fruits and vegetables and some other policies for the betterment of growers of fruits and vegetables are still under consideration. But during the study period it was found that most of these policies were on papers only and no sincere efforts were made for their proper implementation.
12. These policies are made in A.C. rooms and no pains are taken for their proper implementation from the side of the government.

13. It has been observed that due to the highly perishable nature of fruits and vegetables some growers are diverting their cropping pattern, which is not a healthy symptom for the future of these produces.

14. An important aspect which has not yet received proper attention is the regulation of market for fruits and vegetables and, more particularly local markets. As these markets receive supplies of fruits and vegetables from practically nearby rural areas and the trading practices in markets are far from satisfactory, their proper regulation is of utmost importance for enabling the growers of fruits and vegetables to realize reasonable prices for their produces.

15. It was also observed that the productivity of land is becoming lower day by day which causes an imbalance in demand and supply. Demand and supply factor is directly responsible for price fluctuation. Hence we find different degree of fluctuations in the prices.

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.

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