Chapter - V

Existing Problems of Marketing System
Chapter IV of the present study ended with a sad note that the existing marketing system for apple produce in Jammu and Kashmir State failed to give sufficient returns to the growers. Accordingly, this chapter will be devoted to a discussion of the problems encountered in the marketing of apple produce and which at the same time have the immediate bearing on grower's returns.

The analysis of marketing problem is complex in nature. This is so because concept and meaning of marketing widely differs. However, horticulture marketing comprises all the activities involved in the flow of horticulture produce from the farming to assembling, processing and distributing and secondary services like storage, transportation, grading and standardisation, financing, risk bearing and market information. Against this background, one cannot help but draw conclusion that State of Jammu and Kashmir has yet to go a long way in putting the horticulture on the modern lines of scientific marketing. Recounting the benefits of modern marketing techniques and tools, Mr. Francis in his book,
Modern Marketing Management - An Introduction" has aptly said,

"the productivity can come only through making use of the marketing concept and using its techniques in order to reach the Zenith of productivity".

Keeping in view the above fact, one of the most persistent obstacles to the improvement of marketing system and procedures of horticulture produce in Jammu and Kashmir State is the production pattern itself. Modern and scientific method of marketing is difficult unless it is accompanied by modern and quality production. Accordingly, therefore a critical appraisal of the problems has been made in the present chapter. As these problems are complex and varied, the same have been divided into two major heads to facilitate further discussion.

a. Problems in Production Pattern, and

b. Problems in Marketing System.

PROBLEMS IN PRODUCTION PATTERN

The problems of apple industry in production techniques are:

a. Layout,
b. Diseases and pests;
c. Traditional Technology;
d. Lesser use of chemical fertilisers;
e. Prunning; and
f. Irrigation.

a) Layout

Maximum productivity from orchard is the result of good orchard layout. Orchard layout ideally involves the allocation of space and the arrangement of trees within the orchard in such a way so as to achieve the greatest possible output of high quality fruit with the lowest possible effort. So far layout of orchards is concerned, it is observed that 73.50% percent is properly laid out and remaining 26.50% percent are irregular. Hence maximum productivity from irregular portion of orchards is not possible.

b) **Diseases and Pests:**

The main problem of apple industry is that its maximum portion of production is affected by scab disease. The scab is one of the most severe disease which has a bad impact on apple production. Before 1973, it was only limited to certain varieties of apple, viz. Ameri, Dooda Ameri, Trayal including Junga Trayal. But during last few years it has been observed that scab disease has extended its area to certain other varieties of apple which includes also Red deliciou, Hazratbali, Sharanpur, Maharaja and American. As such scab disease has influenced almost full fruit production of the State as is also evident from the Table 5.1 given below:

<table>
<thead>
<tr>
<th>Degree of attack</th>
<th>%age of fruit orchard</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Severe attack</td>
<td>10.52</td>
</tr>
<tr>
<td>2. Moderate attack</td>
<td>31.58</td>
</tr>
<tr>
<td>3. Low attack</td>
<td>57.90</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.00</strong></td>
</tr>
</tbody>
</table>

From Table 4.1 it is evident that full fruit production i.e. 100 percent, in the State is deeply or minutely damaged by pests and diseases. This reduces the quality of fruit variety and also production potentiality of a tree and thereby leaving it of uneconomical value.

In order to control such a problem and minimise the incidence of disease, the Government authorities took various measures which include:

i. Issue of literature, holding of exhibitions and demonstration shows;

ii. Conduct of various classes in apple growing areas whereby growers are informed about the results of pests and diseases and their proper control; and


Despite these measures it has not been possible for the Government to eradicate the scab disease completely.

c. Traditional Technology

In Jammu and Kashmir State, fruit cultivation is carried through poor equipment, inadequate and absolute tools. This method is essentially
responsible for the low productivity. Over the years the age old techniques have been refined and sharpened but even these are not up to the mark. Hence there is good scope for improvement in the method of cultivation and adoption of improved horticultural practices. Reasons for non-adoptsion of modern technology are many and are classified as under:

i. Lack of knowledge: This is the major obstacle in the way of adoption of new horticultural technology. Most of growers are ignorant and generally uninformed of the latest methods and techniques of production.

ii. Financial deficiencies: The prices of new implements and equipments are high enough, hence beyond the reach of majority of below marginal and marginal growers. The successful adoption of costly improved horticultural practices is conditioned to a great extent on the financial position of the grower.

d. Lesser use of chemical fertilisers

The apple growers of the State are well seized that the application of chemicals in horticulture is of prime importance and if orchard is fully fertilised, it can produce a large amount
of fruit. But unfortunately they do not fully apply adequate fertilisers to their orchards. This is so because of the following reasons:

i. As the majority of growers are poor with inadequate credit facilities, they are not in a position to purchase chemical fertilisers in adequate quantity.

ii. Growers are sceptical about the use of artificial fertilisers as they fear loss of fruit through the improper application.

iii. Growers are not well informed about the relative merits of fertilisers and about their preparation and application.

Because of these reasons only a small percentage of growers use fertilisers. This is clear from the fact that only 7.02% percent of orchards, in the valley receive fertilisers regularly. Out of the balance, 54.39% percent are fertilised occasionally and the rest forming

33.59% percent of orchards are not being fertilised at all. It is clear, therefore, that a large portion of orchards in the valley remaines unfertilised.

e. Prunning

According to a survey 79.00% percent of orchards in the State are not properly prunned. Obviously, therefore, non prunning of fruit trees results in the poor yield and quick deterioration of the quality fruit. In order to preserve sufficient strength in the trees by removing its unwanted or diseased and long branches, prunning becomes an essential feature of health care of the tree.

Despite the obvious benefits of prunning it is surprising that the growers have not taken this practice kindly as they see it as a wastage to cut or prunne any part of a tree. This is the result of their ignorance. All concerned agencies should combine their efforts to dispel the fears of the growers.

**Irrigation:**

Proper irrigational facility is a major input for agricultural produce. Stressing on the importance of irrigation Dr. Knowles has aptly said that the irrigation works have made security of life, they have increased the yields, and the revenue derived from it.² However, it appears that those who are charged with the responsibility for the development of horticulture have failed to realise the real significance of proper irrigational facilities. In this context it is shocking to note that a small percentage of orchards constituting 40.3 percent of total area under orchards is irrigated in the valley. As against this 59.7 percent remains unirrigated. The best of soil and sunshine or even the climate are of no avail if these are not accompanied by a guaranteed irrigational flow. It has been estimated that total water requirements of deciduous fruit tree is about 30 inches a year.³

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3. Ibid., p. 157.
This is the minimum which should be assured to the growers.

Various methods are available to the growers for irrigating their orchards apart from the natural rainfalls. The commonly used methods are given here under:

1. River and Canals,
2. Wells, dug wells and tube wells,
3. Ditches and ponds
4. Storage tanks etc.

Despite all these methods most of the growers of the state are unable to adopt them because of the lack of funds. Once financial assistance is made available to the growers, it can reasonably be expected that they would be in a position to improve their irrigational facilities.

B. OBSTACLES IN MARKETING SYSTEM:

In the marketing of apple produce from the production point to the consumption point a variety of problems are being faced by the growers. These problems have been discussed under the
following heads :-

1. **Exchange Functions**:

   It consists of various activities involved in the transfer of title to goods. This represents the point at which the study of price determination enters into the study of marketing. It covers following problems:
   
   a. Assembling; and
   b. Selling.

2. **Physical Functions**:

   It includes activities like handling, movement and physical change of actual commodity itself. Under this head the following problems have been discussed:

   c. Storage,
   d. Transportation; and
   e. Processing

3. **Facilitating Function**:

   It is responsible for the smooth performance of the exchange and physical function.

This activity is not directly involved in either the exchange title or in the physical handling of products. However, the modern marketing system can not function efficiently and properly without the facilitating function. The facilitating function inter alia include:

- f. Grading.
- g. Finance,
- h. Risk bearing,
- i. Market information

A detailed discussion of the above stated problems follows:

a. Assembling: The process of assembling involves the collection of little quantity of production from individual growers. It is the first step in the sequence of operations which comprise horticultural marketing. This function can either be the assembling of the raw products from the production area or the assembling of the finished products into the hand of other middlemen in order to meet the demand of the ultimate consumer. Concentration at convenient points attracts buyers who could

5. Ibid, opp cit, p.23.
not spare the time to make small purchases at scattered farms and permits the use of transport and processing facilities on a large and more economical scale?

In Jammu and Kashmir State the apple orchards are far from the assembling centres. Communication from these orchards to the assembling centres are often extremely poor and defective. Bad roads, lanes and traits linking orchards with the assembling centres not only add to marketing costs but also lead to the multiplication of small dealers and intermediaries.

b. Selling: Selling does not mean merely passively accepting the price offered. It refers to all those activities which sometimes are called merchandising. A series of the physical arrangements of display of goods are grouped here. It includes also the activities like advertising and other promotional devices performed to influence the customer or create demand for the product. The

decision as to the proper unit of sale, the proper packages, the best marketing channel, the proper time and place to approach potential buyers - all are decisions which can be included in the selling function. Thus under this head the following marketing problems have been studied:

i. Package,
ii. Marketing channel,
iii. Advertising and sales promotion,
iv. Proper time

i. Package: Packing is a convenient means of identifying a manufacturer's products, of stimulating demand and consumer interest and of improving saleability of the product by its more attractive appearance. A scientifically developed packaging technique will go a long way in preventing adulteration, pilferage, short-weight and maintaining the quality of products and thus pave the way for promoting sales.

The traditional packing system for apple produce in the Jammu and Kashmir State lack almost

all the above stated advantages. The wooden box is less economical and at the same time fails to gain consumer's attraction. At present our forests are providing about 1.50 crore boxes for the fruit packing every year. This source is not life long hence not sufficient to meet the present requirements of apple industry. Accordingly, therefore efforts were and are being made to develop an alternative arrangement for the same. As a result, the Horticultural Corporation and Horticultural Planning and Marketing Department adopted card board boxes instead of wooden, for packing purposes during the season 1980 - 81. The results were encouraging as it is satisfying the economic, promotional and other statutory requirements. In addition to these, the benefits like comfort and convenience of the user, strength and the re-use of the container are also present in this system of packing. Having the only disadvantage attached to it is that costs of card board cartoons is comparatively higher as compared to wooden packing as is evident from
Table 5.2 Cost of Packing System in the Jammu and Kashmir State

<table>
<thead>
<tr>
<th>Year</th>
<th>Cost of Wooden box (W) (Rs.)</th>
<th>Cost of Cardboard box (C) (Rs.)</th>
<th>Percentage excess in cost of (C) over (W)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980-81</td>
<td>6.00</td>
<td>12.00</td>
<td>100.00</td>
</tr>
<tr>
<td>1981-82</td>
<td>7.50</td>
<td>12.50</td>
<td>66.67</td>
</tr>
<tr>
<td>1982-83</td>
<td>8.50</td>
<td>13.00</td>
<td>52.94</td>
</tr>
<tr>
<td>1983-84</td>
<td>11.00</td>
<td>15.00</td>
<td>36.36</td>
</tr>
</tbody>
</table>

* Cost include the cost of try which is used inside the cartoon.


From Table 4.2, it is evident that the cost of Cardboard cartoons was 100 percent more as compared to wooden box in 1980-81. This was so because of the non-availability of these containers at that time. The subsequent efforts made by the Government resulted in taking up the manufacturing of these cartoons within the State.
This had a good impact on the cost of the cartoons as their price showed a decreasing tendency as is clear from Table 5.2. Again use of cartoons is not very popular among the growers because of the following reasons:

a. grower's unawareness about the economical and promotional benefits of the cartoons;

b. higher price of cartoons as compared to wooden boxes;

c. non availability of adequate quantity of cartoons in the state;

d. the sale centre of cartoons being Srinagar, restricts the use of the same by the growers living in rural areas.

ii) Marketing channel:

One of the most persistent obstacles to the improvement of marketing system is the lack of efficient and economical market channel through which the products could move to the target market. The complex pattern of marketing channel decrease the fruit returns to the basic growers.

Generally it has been observed that consumers are located far away from the production
centres. With the result there are various intermediaries/ institutions working between basic grower and ultimate consumer. Due to their existence, the cost of apple production goes high. Logically the simplest market is that in which the grower sells own production to the ultimate consumer without any intermediary.

It is noteworthy that about 70 percent of total apple production in the State passes at least through four hands before it reaches the final consumer. Preharvest contractors play the most important part in the apple marketing channel. They may sell direct to retailers, but more often go through commission agents in assembly and distributive centres. These commission agents may also act as whole salers themselves in other transactions, subsequently using an additional commission agent or selling directly to retailer. The influence of these intermediaries have bad impact on marketing channel and the result thereof

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the orchardist hardly gets 20 to 30 percent of the actual returns.

iii. Advertising and sales promotion

Advertising and sales promotion play an positive role in the efficient marketing. By and large personnel selling forms the major element of the promotional mix in horticulture marketing in the State. The advertising as a means of demand creation has been altogether ignored. As a consequence thereof consumer know less at terminal/export markets about the special and considerable qualities of Kashmir apple and apple products. Personnel alone cannot compete with the marketing competition at terminal markets. It needs all support and help from other promotional devices which are absent in apple marketing at present.

iv. Proper timing

Time is an important factor in selling. This also influence badly the apple marketing of the
State. The apple production of Jammu and Kashmir State comes to the market about 2 months after apple produce of Himachal Pradesh. This enables the competing State to get much time to capture the market and thereby earns good returns for its produce. As a result the State faces lot of problems at export marketing centres in maintaining a proper balance between supply and demand.

C) Storage:

The proper storage facilities are one of the essential features of an efficient marketing. The storage of farm products over substantial periods of time is another service which is essential because of perishable character of these goods and the need to spread seasonally concentrated production over extended periods of relatively stable demand. Storage helps in tiding over the deficits of particular periods and areas and thus acts as an equalizer of prices both regionally and over periods of time.13

12. Ibid., Opp. cit, p. 16.

Generally there is inadequacy of cold storage facilities for apple produce in the Jammu and Kashmir State. Inadequate cold storage facilities are the cause of heavy losses to grower in the State, and result in serious wastage of fruit and increased cost to consumers. Storage losses of fruit occur at all stages between the field and final consumption. A large majority of fruit, after its plucking is readily perishable under ordinary atmospheric temperature and humidity and cannot be stored even for a few days without serious deterioration. It has been observed that fruit allowed to stay in the open for one day loses its life by one week. In the absence of proper storage fruit after harvesting is being placed under the open or under canvas tents which deteriorates the fruit quality.

Without cold storage facilities in the State and at export marketing centres the apple trade on extensive scale is not possible. It is


15. Ibid, Opp. cit, p. 23.
worthy to note that at the time of glut where there are chances of deterioration and spoilage, the apple traders of the State sell their produce at export marketing centres viz., Delhi, Bombay, Madras etc. at such a rate that it is not even sufficient to meet the cost of transportation and packing charges of the fruit.\textsuperscript{16}

Proper cold stores equipped with latest physical handling techniques would secure the grower a more equitable price by making fruit available at desired time and thus eliminate gluts in horticultural markets at harvest season. It will protect and minimize the deterioration and losses in the fruit during its marketing process.

d. Transportation

A dependable transport is yet another prequisite for the successful operation of the marketings system. Transport facilitates the movement of goods from places where they are less useful to places where they are much in demand.

\textsuperscript{16} Author's discussion with fruit traders at various export markets.
Market can suffer physical and economic isolation or be within the compass of region or even wider competition depending upon both inter and intra-regional transport facilities. Adequate and efficient transportation is a cornerstone of present marketing system. Efficiency in transport depends upon the speed within which the goods are delivered and the care taken during transit.

Horticulture produce frequently require transport service of an extremely specialised kind. All forms of transport viz, rail, road, air and water must be available in moving the produce from the farms/orchards to its ultimate destination so as to make better and proper utilisation of these perishable goods in time. In Kashmir valley, which is the main apple producing area in the State, only one system of transport is available namely Road Transport. The valley of Kashmir is a hill-locked region where railways are conspicuous by its absence.


It may be noticed that even road transport has not been available in an adequate manner at the peak seasons. Further, it has also been observed that the forwarding agents at Srinagar, Jammu, and Pathankot resort to delaying tactics in handling the consignments booked for various export markets. This results in the deterioration of the quantity of stock before it reaches export marketing centres. This speaks of the degree of inefficiency in the transportation system of the fruit in the state. As a consequence of it the transportation cost goes high and at the same time delay in consignments results in serious damage and loss to the fruit.

c) Processing:

The processing function would include all those essential manufacturing activities that change the basic form of the product. The processing activity in horticultural marketing cannot be ignored. Processing is necessary for perishable farm products like fruits and vegetables. Presently huge quantities
of apple are left as unmarketable surplus in the shape of culls, windfalling, slightly bruized and damaged in the valley of Kashmir. There is further increase to this quantity with off grade apples and inferior varieties, the returns of which are not economical to the growers at all. As a consequence thereof, the state is facing utilisation problem of about one lakh tonnes of unmarketable surplus. Should the situation be allowed to continue without any redress, the industry is bound to face serious odds in future and will affect the economy of the state. Hence the need of the hour is to establish scientific methods of preservation and processing units. It is gratifying, however, to note that some measures have already been taken by the Jammu and Kashmir Horticulture Produce Marketing and Processing Corporation in this direction. But these measures are not sufficient to meet the requirements of the industry. The private sector is shy in setting up their own units in view of the following reasons:

a. Non-availability of raw-material and packing material at the time of need;

b. Heavy excise duty imposed on the containers;

c. Seasonal nature of business which keeps off people to take up this business;

d. Limited local market - since the local market is limited the processing industry has to export its products to other states of the country, which however, does not become possible in the absence of quick transport facilities,

f) Grading and Standardisation

Grade means classifying a particular horticulture produce according to certain attributes or marketing qualities into various classes or grades. Apple production is graded on the basis of size, symmetry of form; colour; ripeness and damage. The purpose of grading is to help buyers to select the most suitable produce for the uses they have in mind, so that the goods command higher prices than they otherwise would. Higher increase in demand is the result of grading. Once the consumer is sure of the quality he is paying for he would like to

meet the full demand.

Apple gradation is one of the crucial problems presently being confronted by the State apply industry. It is not uncommon to find quality apple mixed with inferior varieties. Poor gradation has eroded the future of apple industry. It serves as ready excuse for the consumer to pay less for the produce they intend to buy.

The apple growers adopt their own standards for grading which are generally based on size, colour, variety, disease and damage. Every grade standard has its own code which varies from grower to grower. Generally the following code numbers are used by the traders.

A - Full colour without blemishes, bruises, and insect damages,

999 - 3/4 colour, rest as 'A'

997 - 3/4 colour with slight dry blemishes

881 - 1/2 colour or even less but with insect demage blemishes

666 - This grade is between all the colour ranges but having maximum demage of insects blemishes and spray demages

333 - Dropped fruit (sorted) having bruses and having half colour

1000 - Drops due to wind, no colour restriction, having insect demages, bruses and fall pits etc.

This system of grading is inefficient as it encourages the 'Hatha System' of auctioning at terminal markets. The grading codes used by growers remain secret among various marketing intermediaries viz, commission agents, forwarding agents and whole salers, which give rise to many malpractices and at the same time put consumers in confusion at the time of sale.

With a view to overcome this deficiency the State Government tries to supervise the grading activity of apple which however, is not very much
effective as it carries no legal sanction behind it. The Horticulture Planning and Marketing Department is assigned the responsibility of ensuring scientific grading and standardisation but unfortunately this official agency has not succeeded in its mission which is clear by the remarks of Shri Tapeshwar Chairman, National Agriculture Marketing Federation (NAFED). Lamenting on situation he says:

"During the last few years, we have experienced some difficulties in the sale of apple stock on the best possible rates since some of the stock received was not properly graded. Because of this we could not get best possible rates for such stock inspite of our best efforts".  

of this industry. Infact finance is required at every stage from harvesting of the fruit till its final disposal to the ultimate consumer. Because of nonavailability of sufficient finance to meet the pre and post harvest operational expenses the growers have been forced to fall a prey into the hand of unscrupulous middle men who fallen themselves on the expense of poor growers. Though these marketing intermediaries provide interest free loans/ funds to the growers yet in effect it is just an eye wash. They actually cheat them by charging high commission on gross sale of the produce and by resorting to illegal and unethical marketing system like 'Hatha - system'.

The role of credit in horticultural development specially for the development of below marginal growers, has been emphasised from time to time. It is now widely accepted that the gains of the development could not reach the below marginal growers because the organised credit lending institutions like commercial and cooperative banks
were largely not within their reach. It was expected with the incorporation of various new credit lending institutions viz. Allaquie Dyahati Bank (sponsored by State Bank of India) and Comraz Bank (sponsored by Jammu and Kashmir Bank) that this problem may be solved to a greater extent as they have been specially incorporated for the development of agriculture and allied fields. But the results have not been much encouraging. They are not providing adequate facilities of finance as were expected of them. The maximum limit of loan given by these lending institutions to the basic growers without keeping any mortgage is Rs. 5,000 and exceeding that the loan is sanctioned to them against proper mortgage. It is evident that in Jammu and Kashmir State, the proportion of such orchardists/horticulturists is larger who have either small land holdings or are poor. These growers are not in a position to provide mortgageable assets to these rural banks. And as a consequence of which such planning of providing loans proves a stumbling


24. Authors discussion with the officer's of the Allaigai Dhaytiah Bank and Commraz Bank.
block on the path of developing horticulture sector of the state. Moreover, the rate of interest is exorbitant, 12.5 percent per annum. However, the return from fruit growing to the basic orchardists is not sufficient to cover this high rate of interest. Hence, the growers are hardly fascinated in availing of this facility.

h) Risk bearing:

The risk-bearing function is the accepting of the possibility of loss in the marketing of a product. The risk can be classified under two broad heads viz physical, and Marketing risk. The risks which occur as a result of destruction or deterioration of the product itself by fire, accident, wind, cold, heat and earth quakes are known as physical risks where as the risks which occur because of the change in the value of a product come under the head market risks.

Risk of quality deterioration are very important in case of apple produce being of perishable nature. Most of the growers are not prepared to take risk arising out of changes in the market price, deterioration in fruit and loss by damage. As their capacity to bear losses is weak they prefer to pass on the risk to pre-harvest and other agencies by selling their produce at low prices.

The present marketing system of apple is favourably inclined to the middlemen rather than growers. In the absence of any government agencies the growers are left to the mercy of the middlemen, who take maximum advantage of the weak capacity of growers to bear the marketing risk of their produce.

1) **MARKET INFORMATION**:

Market information may be defined as facts and their interpretations likely to help producers, traders, and consumer's in making decisions. It covers, current price quotations,

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the feel of the market, trade opinion as to future trends and the probable effect of seasonal and climatic influences, and forecast of future production, consumption and trade movements, seasonal variations in yields and their probable impact on prices -- all material likely to influence the terms of exchange.  

All this information is essential for the marketing if it is to operate with economy and precision. Any buying or selling activity which is undertaken on an isolated or spontaneous decision has less chances of economic success than that which is conducted after a careful consideration of these facts.

The apple industry of the state lack the facility of good marketing information system. In this direction also poor growers of the state fail to receive the adequate benefits of goods and modernised techniques of marketing. The survey conducted by the scholar shows that 69.8 percent

27. Ibid. opp. cit, 0.102.

of the sample orchardists received market news in some form or the other. The sources of information for the growers are as follows:

1. Radio Broadcasts;
2. Inquiries through co-operative societies;
3. Inquires from commission and forwarding agents;
4. Inquiries from neighbouring growers; and
5. Telephonic message from terminal marketing centres.

It may be noted that out of 69.3 percent of the interviewed growers, 83.72 percent were utilising the source of serial no 1, 3, and 4 for this purpose whereas 16.28 percent were dependent on other sources. It may not be out of place to mention here that market information system is utilised for price mechanism only whereas its other areas and functions are ignored by the apple growers of state.

In addition to above discussed functional problems of the present marketing system of Horticulture produce, the following two problems
also effect adversely the efficiency of the present marketing system:

a. **Unorganised nature of growers**

In Kashmir valley the apple growers are numerous, poor and unorganised. They sell their produce individually and in small quantity. As a consequence thereof, the bargaining capacity of these growers is low. Hence they are unable to protect their interests. On the other hand, the buyers of apple produce usually operate on a large scale and are rich and well organised. Since the number of these buyers is low and at the same time buy huge quantities in the aggregate, they are well in a position to monopolise the apple trade and operate in furtherance of their own interests. There is thus a kind of buyer's market in this trade, where marketing intermediaries have enough freedom to exploit the poor growers of the state.

b. **Forced Sales of Marketable Surplus**

The farmers in general sell their produce at an unfavourable place, time and terms. These three

factors namely place, time and terms give the clue for an understanding of the existing position. Because of poverty and indebtedness, unsatisfactory nature of communication, lack of staying power and the need for finance, the apple produce is sold soon after the harvest when there is a glut in the market and hence the price offered, is very low. Usually growers dispose of their produce in advance by giving orchard on contract to pre-harvest contractors. This results in low economic returns to the growers.

Mere identification of problems is not the end in itself so far as the marketing of horticultural produce is concerned. It, therefore, calls for concerted efforts to minimise and even in certain cases eradicate the bottlenecks so as to gear up the existing marketing system. Against this backdrop the scholar has made an attempt by suggesting some measures in the next chapter.