Chapter- One

INTRODUCTION
1. Introduction

1.1 Introduction

Horticulture Industry in India is doing well. Worldwide the area under production of horticultural crops has doubled. Since 1997 along with increase in horticulture production demand for fresh tropical fruits has been also increased. The main reasons behind this increase in demand are growing familiarity of consumers with tropical fruits, their nutritional value, their taste, and cooking qualities. This demand has been steadily increasing due to other causes such as rising incomes, population growth, urbanization and increased health consciousness of people.

Worldwide production of horticulture crops has grown faster than that of cereal crops. Among the main reasons attributable to the growth, high return from horticulture marketing as compared to cereals is the prime one. Recently one of the key objectives of every developing country is to promote production and marketing of horticulture products. Besides this, Indian Horticulture Industry has been emerged as a crucial sector for diversification of agriculture.

India is an agricultural country. There are many regions in India which are suitable to grow temperate, sub-tropical and tropical fruits. Out of these regions Kokan region has favorable climatic conditions with sufficient rainfall, many rivers and suitable soil which facilitate to grow various horticultural crops. Majority of Kokan area is covered by rural area and the policies of GOI largely favor rural development. Hence there is considerable potential for growth particularly in rural areas of Kokan as horticulture production is concentrated in rural areas. Apart from this, farmer’s involvement in horticulture production results in increased income and generates employment opportunities to rural India.

Raigad is a district in Kokan Region of Maharashtra state where majority of the area is rural and remote area. Many fruits are cultivated in Raigad district. In this district people are suffering from unemployment problem. In each mango season they get employment opportunities. People those who remain unemployed throughout the year get engaged in mango marketing and other related works in mango season. Due to close proximity to Mumbai and Pune market and having coastal line, Raigad district has a wider scope to develop mango business in national and international market. As production of Alphonso and other varieties of mangoes is on a large scale basis, district has tremendous potential to promote domestic sale and to promote export of mangoes.
Raigad District mangoes have great potential for export. Preparing different mango products is household activity of Raigad district. Focus on large scale production of mango processed products will lead to market expansion in both domestic and foreign countries.

Due to attractive color and shape, excellent flavor and sweet taste, there is potential to increase demand of Raigad mangoes throughout the world. Mango is the cash crop of Raigad farmers. Raigad district is bestowed with varied agro climate, which is highly favorable for large scale production of mangoes. The mangoes are produced in each village of Raigad district. Favorable climate, suitable soil and heavy rainfall are the gift of God offered to the Raigad District. Hence the mangoes are produced on a large scale in Raigad district.

Though mango production in Raigad district is satisfactory but marketing of these mangoes is not effective. The pace of development of regulated markets is very slow in this district. The problems like lack of suitable space for market yards and lack of adequate finance for development have created obstacles in the progress of Raigad markets. Along with this co-operative marketing is not yet adequately developed. Infrastructure facilities like roads, communication system, warehousing and financial facilities are still inadequate and improper in Raigad district. Even today, many villages in the district are inaccessible during monsoon. Heavy monsoon just after mango season makes communication and physical distribution of mangoes difficult and expensive.

Due to perishable nature of horticulture products, recently the study of supply chain and logistics management is become vital for the post harvest horticulture products. Proper handling, storing and transporting are required for effective and efficient post harvest management of horticulture products. The functions involved in physical distribution and supply chain were operated independently by traditional companies.

But recently, the concepts of logistics and supply chain management have been widely interested. Now logistics management and supply chain management are used as a strategy for integration of organizational functions and their effective on time achievement. With well management of supply chain and logistics activities, every functionary in the supply chain can lower its cost and increase its customer services level.

Problem of physical distribution constitutes the problems of inventory, storage and transport. The major share of total cost is comprised by the distribution cost. In order to reduce total cost and selling price it is essential to remove the problems in physical
distribution and to control this process. Hence the need of modern business world is to pay due attention on the problem of physical distribution.

Efficient physical distribution increases the opportunities for successful marketing. In contemporary scenario of Raigad mango marketing it is very essential to identify the problems in supply chain and market logistics to move the mangoes smoothly from the place of production to the place of consumption and to reach them up to the final consumers at the right time, with the right quality and at the reasonable price.

In case of Raigad mango marketing, supply chain management is essential for procuring right inputs, converting them efficiently into mango fruits and dispatching them to the final destinations. It requires availability of adequate and proper infrastructure, materials management, warehouse management, transportation management, sales forecasting and best information systems.

1.2 Statement of the Problem

In the world of globalization mango marketers in Raigad district have multiple opportunities to expand their mango business. Mango cultivation in Raigad district is on satisfactory but marketing is not effective. Certain problems affect on smooth marketing of Raigad mangoes.

Nature of mango is perishable. Supply chain and logistics management is the need for effective mango marketing and reducing marketing cost. Therefore there is an urgent need to identify and solve the problems in Raigad mango marketing. Hence the statement of the problem is that the mango marketers in Raigad District are facing Supply Chain and Market Logistics Problems while marketing of mangoes.

1.3 Objectives of the Study

The main purpose of this study was to examine critically marketing structure of Raigad mangoes. The specific objectives were as below;

1. To investigate the Supply Chain and Market Logistics problems of mangoes in Raigad district.
2. To study the distribution profile of Mangoes in Raigad district.
3. To find out opportunities to expand the marketing activities of mangoes in Raigad District.
4. To search threats in marketing of mangoes in Raigad District.
5. To suggest remedies to solve the Supply Chain and Market Logistics problems of mangoes in Raigad district.
1.4 Justification of Objectives

- Globalization has encouraged world competition. Hence it is essential to find out global opportunities for Raigad mangoes by improving competitive capacity.

- It is essential to suggest the remedies to solve the Supply Chain and Market Logistics problems of Mangoes in Raigad district as it can help for the smooth flow of Raigad mangoes in domestic and international market. This will widen the scope of mango business in Raigad district.

- Success of marketing depends upon proper supply chain and logistic management. Raigad mango marketing is adversely affecting due to Supply Chain and Market Logistic problems. Hence it was necessary to investigate these problems and to find out exact solutions.

- The study of distribution profile of Raigad mangoes facilitated to know the contemporary practices in marketing of Raigad mangoes and to know future prospects for mango developments and market expansion.

- Globalization has encouraged world competition. Hence it is essential to find out global opportunities for Raigad mangoes by improving competitive capacity.

1.5 Relevance of the Study

- Efficient agriculture marketing is essential to increase income level of farmers and to provide maximum satisfaction to customers. Indian farmers have started to focus more on horticultural production than cereal production because of high level of profit. There is tremendous potential for increasing horticulture production in different parts of India because of supportive climatic conditions. Hence many efforts have been undertaken by the GOI to increase the production of horticulture products. Mango production and marketing are labor intensive hence more focus on mango production and marketing can generate many jobs and can contribute commercialization of the Raigad economy.

- Recent environment of Indian economy has been changed. In this changing environment marketing has become more important. Indian marketing functions have acquired a new dimension which have offered many new jobs and bright career for Indian and foreign people.
• Marketing functions with pace and quality can fetch success for the business. But for this it is necessary to identify and to remove the problems in supply chain and market logistics.

• This study has generated useful information in order to formulate mango marketing development projects. The suggestions given in this study will help to improve the efficiency of Indian mango marketing system.

• The outcomes of this research will be of use to face the problems in mango marketing and to improve competitive capacity of the Raigad mango marketers.

• The potential users of the findings of this study are mango farmers (producers), intermediaries and the government. The study will help to solve the problems in marketing of horticultural goods and to widen the marketing activities.

• Since the beginning of the 20th century, the pattern of trade and commerce is totally changed. Now countries focus more on export as it is vital for economic development of any nation. But to increase export earnings there is need of effective production, increased productivity, cost reduction and efficient marketing. This study will boost the mango marketers to promote mango export by overcoming the problems in mango production and supply.

• This research will be the baselines for researchers who want further investigate on mango marketing.

1.6 Statement of Hypothesis
The following hypotheses (four in number) were being framed;

Hypothesis 01:
(Ho-01): Null hypothesis 01: It is noticed that the contemporary practices of marketing of mangoes in Raigad District are successful to promote and enhance the sales.
(Ha-01): Alternate hypothesis 01: It is noticed that the contemporary practices of marketing of mangoes in Raigad District are not successful to promote and enhance the sales.

Hypothesis 02:
(Ho-02): Null hypothesis 02: The existing mango distribution practices in Raigad District are profitable and able to provide due returns to the farmers.
(Ha-02): Alternate hypothesis 02: The existing mango distribution practices in Raigad District are not profitable and unable to provide due returns to the farmers.

**Hypothesis 03:**

(Ho-03): Null hypothesis 03: There is lack of potential for improving export possibilities of mangoes in Raigad District. It does not need properly developed position of mangoes in the global scenario.

(Ha-03): Alternate hypothesis 03: There is enough potential for improving export possibilities of mangoes in Raigad District that is untapped. It needs properly developed position of mangoes in the global scenario.

**Hypothesis 04:**

(Ho-04): Null hypothesis 04: The promotional systems and practices of mangoes in Raigad District do not need improvement and reforms.

(Ha-04): Alternate hypothesis 04: The promotional systems and practices of mangoes in Raigad District need improvement and reforms.

1.7 Limitations of the Study

The limitations of the present study may be summarized as follows:

1. Study is limited to Raigad district.
2. Duration of this research is of ten years i.e. from 2005 to 2014.
3. Study is based on the responses obtained from the sampled mango farmers and pre-harvest contractors in Raigad district.

1.8 Chapter Scheme

This study is organized in six chapters. Chapter one has enveloped introductions, statement of the problem, objectives, research questions, scope and significance of the study, statements of hypotheses, and limitations of the study.

It is followed by Chapter two which has intensely reviewed the available literature by entailing general concepts of market, marketing, supply chain and empirical research results executed elsewhere. Literature in reference books, articles, research papers, and magazines was reviewed.

The third chapter deals with nature and prevailing conditions of mango supply chain and market logistics in Raigad district. It has enveloped geographic and demographic data of Raigad district, cultivation and marketing of Raigad mangoes,
mango products and mango processing in Raigad district and problems in supply chain and logistics in Raigad mango marketing.

The chapter fourth deals with Research Methodology applied to conduct research. It describes the research methods, types and sources of data, method of data collection, and sampling method.

The chapter fifth deals with the Methods of analysis of data and their applications. It discerned the credential of the survey results by discussing it in comparison with the results of other studies.

Brief narrations of important findings of the study are presented in chapter six. This Chapter indicates Outcomes of the research. It has also enveloped suggestions and conclusions.