CHAPTER - VIII

MARKETING OF POMEGRANATE

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8.1 INTRODUCTION

The infrastructural facilities like marketing, transportation, government policies, price incentives etc. play important role in encouraging particular crop enterprise. Such facilities could be provided by public or private agencies. Marketing of agricultural commodity invariably affects the extent and nature of cultivation. Marketing can be defined as the performance of business activities that direct the flow of goods and services from producer to consumer at time and place and in the form of wishes and at a price he is willing to pay (Kohls, 1958). Marketing is one of the most potent factors greatly stimulating agricultural productions of an area and a farmer always needs an efficient market where he can sell his surplus produce.

The economic position of a farmer can not be improved by producing only more unless he gets, 'fair price' for his produce. In this regard Thompen (1951) has argued that an effective and efficient marketing system is one which facilitates the production of those products which, when sold to consumer will yield maximum returns after the deduction of marketing charges and farm production cost incurred by a farmer. Thus marketing, therefore, the last stage where farmer converts all his efforts and investment in cash (Sharma and Sharma, 1981).

Marketing activity, in fact, begins with the adoption of appropriate technology at the farm level and ends at the final consumption level. However, marketing methods also differ from commodity to commodity.

A good organized marketing structure can do much to ensure the economic stability of region, the maintenance of pattern of production
suited to the geographical environment and the steady development of the country (Symons, 1970). Marketing organization evolved in relation to the pattern of agriculture is much necessary as skilled husbandry to the success of a region economy based on agriculture. When the economy like that of Solapur district is striving hard to move forward from the low level subsistence to commercial agriculture, an efficient market system becomes the backbone of such an economy.

This chapter deals with the study, assessment and perspectives on marketing system and its importance, role in providing due commercial base to the development of fruit farming in the study region.

Marketing of pomegranate is a complex process consisting of different services or activities known as functions. These functions are performed by different agencies to fill the locational gap between producer and consumer. Marketing functions of pomegranate are carried out as follow:

1) Harvesting 2) Collection 3) Grading 4) Packaging 5) Transportation 6) Collecting at co-operative sangh or at office of private traders or group growers; 7) Distribution to various markets.

Harvesting period of pomegranate fruit starts after 130-150 days from fruiting of every season. When pomegranates are matured with fair yellow and red colour, size and give a metallic sound when tapped. Fruits are picked in installments, since all fruits are not ready at once. Therefore harvesting period spread to about duration of two months. After harvesting pomegranates are collected in temporary shade near the
orchard and graded according to colour, size, shining or spots on rind etc. Then fruits are packed into different corrugated boxes according to size and quality as discussed in chapter 7. Local transport facilities like tempoos, jeeps and trucks are used for transportation. By these vehicles boxes are sent to co-operative sangh, or private traders or to the office of group of growers where these agencies manage to send the produce to different upcountry markets of India. Only trucks are used as means of transportation for countrywide distribution of fruits. To carry all these functions, except transportation, human labour is mainly used for which substantial wages are paid.

8.2 HISTORICAL PERSPECTIVE

Sangola adopted pomegranate farming practice on commercial basis since the beginning of nineteen eighties. At earlier stage the rate of growth in area under pomegranate was comparatively slow; in the second half of eighties growth was rapid. As a result, production of pomegranate increased quantitatively as well as qualitatively. Farmers with increased production started taking keen efforts to market the fruit. From very beginning of this movement, till date fruit growers of this area have tried to market the produce by several ways as follow:

8.2.1. Marketing by growers with own efforts

At the very beginning few farmers in Sangola, started planting pomegranate on commercial basis. At the earlier stage these farmers tried to market pomegranate by own efforts, sending fruits to various distant upcountry markets like Delhi, Kolkata, Bangalore etc, but could not receive the full amount of the sale proceed. Several times they were
cheated also by the traders from distant market. This situation compelled them to organize on co-operative basis and establish co-operative sale societies, which made headway in development of marketing of pomegranate.

8.2.2 Establishment of co-operative society (sangh)

In the development of pomegranate cultivation of the region, fruit growers’ co-operative societies locally called as sangh, have played a crucial role, making marketing easy, reliable and efficient. First of all "Pandhari Prasad Fruit Growers" co-operative society was established in 1987 by the farmers growing pomegranate. Subsequently other co-operative sanghs were established. But the entire credit of developing pomegranate marketing goes to Pandhari Prasad, Krishi Vikas and Gurudatta Shetimal Sahakari Prakriya Sangh. These three together, even at present, handle more than 70 per cent of marketing of pomegranate.

8.2.2.1 Spread of Phalotpadak Sahakari Sanghs (fruit producer's co-operative societies)

The success of Pandhari Prasad Phalotpadak sahakari sangh gave stimulation for the establishment of other co-operative sanghs in the taluka. In later course these sanghs were established one after another. Those are as follows:


The spread of these co-operative societies witness the steady growth in the area under pomegranate plantation. It made necessary for the farmers of the taluka to establish other sanghs besides the Pandhari Prasad. With increase in hectarage, production of pomegranate shot up to a great extent, posing heavy burden on working of Pandhari Prasad Phalotpadak Sahakari Sangh. This situation gave way for the establishment of other co-operative sanghs. The multiplication of these sanghs and their competitive marketing functions created wide base for pomegranate marketing in Sangola. Some of these sanghs have started sub-service and collection centers at village level to avoid burden of work and further delay, which made marketing of pomegranate more efficient and convenient to growers. Spread of co-operative sangh laid the basic foundation of pomegranate marketing in the taluka. A small farmer with very little production also believes in co-operative sangh.

8.2.2.2. Role of grower's co-operative sale societies in developing pomegranate marketing

In initial stage Pandhari Prasad Co-operative Sangh developed the confidence in the minds of the fruit grower's even at the remotest part having small area under pomegranate, about production and marketing. This sangh took every effort to make marketing arrangement sound and reliable (Pawar and Phule, 2001). Some other co-operative societies
followed the same way. Efforts made by co-operative societies to develop pomegranate marketing of the taluka can be stated as follows:

i) Supply of packing materials

Co-operative societies provide packing material at reasonable price to the growers, bill of which is recovered from the final bill of sale proceed. This material is supplied on credit.

ii) Collection of boxes

Co-operative societies have established sub-centres in central villages of the taluka for shortening the distance between orchard and sangh, where packed boxes of pomegranate are collected from the farmers and detailed receipt is issued. All assembled boxes from sub centers are dispatch to various market by these co-operative societies.

iii) Transportation arrangement

Co-operative societies have made systematic arrangement of transport of pomegranate boxes from farms to various distant upcountry markets, with reasonable charge per box. Insuring entire produce in transition; co-operative societies usually prefer to transport packed boxes by roadway rather than railway so as to avoid risk, delay and damage.

iv) Healthy relations with commission agents

Co-operative societies have maintained healthy relations with commission agents of distant upcountry markets. Societies have compelled agents to obtain good prices for the fruits supplied to them in which co-operative societies have succeeded to a considerable extent.
Photograph 13
TEMPERARY ERECTED SHADE FOR GRADING AND PACKING OF FRUIT

Photograph 14
GRADING AND PACKING OF FRUITS
Failure of the agent turns in discontinuation of supply. This measure compels the agent to fetch good prices to the product supplied to them. This is the major role played by co-operative societies to develop the marketing of pomegranate produce of the taluka.

v) Collection of bill

Co-operative societies have overcome the difficulty in collection of bill. None of the farmers have been denied of the payment of bill by these co-operative societies. Which is another role played by these societies in pomegranate marketing.

vi) Payment of bill

Co-operative societies have developed the faith among the farmers by paying their bill regularly, within the time limit of one month, trying to avoid unnecessary turns of farmers, thereby keeping the marketing cost in control. Re. one per box as commission is charged separately.

vii) Marketing information

To make marketing more efficient and remunerative a good deal of marketing information to the producer plays a crucial role. Revealing this fact, co-operative societies take a good deal efforts to provide proper market information to growers and guide them for planning the harvesting activity.

viii) Search of Export Market

As a part of expanding pomegranate market across the national boundaries, co-operative societies tried to establish marketing contacts in
Photograph 15

GRADING AND WEIGHING OF FRUITS FOR PRIVATE TRADERS
5. Default in providing prompt and timely transport services and packing material to the harvesting centers.

These above mentioned limitations and failures to certain extent of these co-operative sanghs gave a ground for the outcome of other channels of pomegranate marketing in Sangola.

8.3 MARKETING OF POMEGRANATE BY PRIVATE TRADERS

In second half of eighties pomegranate production in the taluka increased by many folds. Due to partly failure of co-operative sanghs, some of the private traders entered in pomegranate marketing. These traders have tried to overcome the short falls of co-operative sanghs. An attempt was made by private traders to supply packing materials at cheaper rate and payment of bill immediately. This has created the good faith and popularity of traders among growers, consequently, farmers started marketing their produce through these private traders. As co-operative societies could not handle all bulk of pomegranate produce, private traders prepared a parallel chain of marketing and created a challenge to co-operative sector up to large extent.

However due to in want of some legal provision for the payment of bill etc. the private traders could not surpass the marketing done by co-operative sector.

8.4 MARKETING OF POMEGRANATE BY CONTRACT SALE

This is one of the marketing practices followed by few farmers, who are in the need of immediate payment. In this system farmers sale pomegranate to the traders or middleman on the farmyard it self. This
practice is followed by the farmers who do not have enough man power, even to perform primary marketing practices, and any marketing intelligence. In such type of practice traders and growers directly negotiate prices and make an agreement of payment, where prices are fixed on lump-sum basis. After fixing prices traders pay farmers according to agreement and farmers continue cultivation and other practices till the plucking of the last fruit by traders. This type of marketing practice is not much popular in the study region.

8.5 MARKETING OF POMEGRANATE BY GROUP OF GROWERS

In the course of time another channel of marketing of pomegranate has emerged which is known as group of growers channel. This is the effort made by farmers from Ajnale village of Sangola taluka. By virtue of special peculiarity of producing number one quality pomegranate farmers have adopted this channel. Nature of this channel of marketing has been well presented in fig. 8.1.

This channel of marketing came into existence mainly to overcome the limitations of co-operative sanghs, as well as private traders and contract sale system. Some of the farmers from Ajnale, Kole and some other villages found that bumper production of pomegranate in the taluka is putting greater burden on marketing system of co-operative sanghs and private traders. To overcome these limitations, the group of these farmers established a direct contact with the wholesale traders at various distant upcountry markets. These groups of growers also tried to bring more flexibility in marketing activities as compared to co-operative societies. It was realized by the farmers that, if growers themselves handle the
LOADING OF PACKED BOXES FOR COUNTRY MARKETS
UP
marketing activities can save some marketing cost, particularly the cost of transport and commission. Moreover group of growers have made an arrangement of supplying packing material and collecting packed boxes, from farm yards itself. Using light commercial vehicles, the group at one turn supply packing material to the farmers to their door step and while returning they start collecting packed boxes of pomegranate. Such type of arrangement was also well appreciated by the farmers. Initially this type of marketing system was operated on trial basis for the convenience of some big farmers of Ajnale village. Later on it was extended to near by farmers. This type of marketing channel with some of its short comings could not gather ground in all over the taluka.

8.6 MARKETING CHANNELS USED BY SAMPLE GROWERS

During the field investigation it has been observed that farmers are changing the channel for marketing frequently. Farmer who had sold his produce through a private trader in a year might sell the same either on his own or by co-operative sangh in next year and vice-versa. Some times in the same year, some of the growers sell a part of produce through a sangh and remaining by private traders or group of growers. Thus, there are a permutations and combinations of sales channels. Table 8.1 clearly shows the channels followed by the sample growers to sale produce in upcountry markets.

The analysis of upcountry marketing reveals that more than 50 per cent of pomegranate growers have preferred to sell their produce through co-operative sangh; over 21 per cent by group of growers and over 14 per cent of both by channel of partly by private trader and partly by sangh.
Only about 8 per cent growers followed the way of selling the produce by sangh and group of grower's channel partly. Barely 3.33 and 1.11 per cent growers have sold the produce through contract system and by own channel respectively (table 8.1).

Table 8.1

<table>
<thead>
<tr>
<th>Name of the Zone</th>
<th>Co-operative societies (Sanghs)</th>
<th>Partly Sangh and partly group</th>
<th>Partly Sangh and partly private traders</th>
<th>By group</th>
<th>By contract sale</th>
<th>By own</th>
<th>Total (per. cent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>28 (66.67)</td>
<td>02 (4.76)</td>
<td>10 (23.81)</td>
<td>--</td>
<td>2 (4.76)</td>
<td>--</td>
<td>42 (100)</td>
</tr>
<tr>
<td>B</td>
<td>11 (61.11)</td>
<td>02 (11.11)</td>
<td>01 (5.56)</td>
<td>04</td>
<td>--</td>
<td>--</td>
<td>18 (100)</td>
</tr>
<tr>
<td>C</td>
<td>8 (26.67)</td>
<td>3 (10.00)</td>
<td>02 (6.67)</td>
<td>15</td>
<td>01 (3.33)</td>
<td>01</td>
<td>30 (100)</td>
</tr>
<tr>
<td>Total</td>
<td>47 (52.22)</td>
<td>7 (7.78)</td>
<td>13 (14.45)</td>
<td>19</td>
<td>03 (3.33)</td>
<td>01</td>
<td>90 (100)</td>
</tr>
</tbody>
</table>

Sources: Based on fieldwork
Note: Figures in parentheses are percentages to respective row totals.

Zone (altitude) wise behavioural pattern of the growers is still different. Micro analysis reveals that sales through co-operative sangh were more popular in zone 'A' (66.67 per cent) and zone 'B' (61.11 per cent). Whereas farmers of zone 'C' have preferred the way of selling their produce through group of growers (50 per cent). This channel has also considerably preferred by the farmers of zone 'B' (over 22 per cent). In all the zones 4 to 11 per cent of growers have used both courses, such as co-operative sangh and group of growers. In all the zones over 5 to 23 per
cent growers have followed both courses as co-operative sangh and private traders. Whereas in following the channel of group marketing zone 'C' was in the forefront (50 per cent), followed by zone 'B' (22-22 per cent). But none of the sample growers followed this channel in zone 'A'. Contract system of sales is resorted to certain extent in zone 'A' (4.76 per cent) while, it is disfavoured completely by zone 'B'. Foregoing analysis reveals the preference of growers to more use the services of co-operative marketing system, and as a second priority of groups for reliable commission agency services in upcountry market.

8.7 TYPES OF MARKETS

Pomegranate produced in the region is marketed at several market centres. Based on the locality these market centres can be classified as under:

1. Local markets

Besides the headquarter Sangola, local market comprises other four towns namely Mahud BK, Javala, Nazre and Kole. These towns and weekly markets of the region form the local market for pomegranate having very insignificant percentage of total marketed produce, where spotted and cracked fruits are sold. The test of these fruits is as good as that of 'A-1' grade fruits. These fruits are marketed by fruit growers and local traders. They bring such fruits to the local market by head load, which reduces transport cost.
UNLOADING OF FRUIT BOXES IN NAGPUR MARKET
2. Regional markets

Regional market includes the markets within the state of Maharashtra where pomegranate is sold. It includes major market centers such as Mumbai, Nagpur, Kolhapur, Pune. It is observed during the field investigation that very insignificant proportion of pomegranate produce is disposed in the markets like Pune and Kolhapur. Whereas though Mumbai is national market and big urban centre, pomegranate producer do not prefer this market because of "Hatha" system of marketing followed by the commission agents of that market. ("Hatha" system is a secret system of fixing the market rates of fruits. Under this, two traders hold the hands of each other, covered by cloth or handkerchief and by counting fingers they decide the market rates.) In this bargaining interest of the growers is not safeguarded. The transactions under "Hatha system" are not known to third person. Some commission agents charge 10 per cent commission over and above the Hatha rates.

Analysis of regional market centres reveals that Nagpur is an important regional market within the state. It ranks second among all national markets. Out of total 6.97 per cent consignments of pomegranate fruits are sent to Nagpur market. Proportion of fruits sent to Nagpur changes according to marketing management. Generally co-operatives and groups of growers have sent very small portion of fruit produce to Nagpur (table. 8.2).
3 National market

Except state of Maharashtra the produce sold in all over the markets in India are included in National Markets. Which includes markets like Delhi, Kolkatta, Bangalore, Ahmadabad, Banaras, Vijaywada, Jammu and Pathankot. In pomegranate marketing Delhi and Kolkotta are important markets with national and international marketing status. Further fruits from these market centres send to country wide and markets of near by countries. More than 76 per cent marketed produce goes to Delhi market only (table 8.2) which is the major market in the country. In the course of field investigation, all marketing agencies engaged in this function, have stated that Delhi is the stable market as far as prices are concerned. All other markets of the country are having limited area of influence and more fluctuations in prices. Delhi market possess great significance as far as marketing of pomegranate of the study region is concerned.

Kolkatta is another important national market, which shares 5 per cent of total disposal of pomegranate. All co-operative Sanghs and private traders have preferred to send marketable surplus of fruits to Kolkatta. Further trade enhancement from Kolkatta is towards Bangladesh and Myanmar.

4 International markets

Surplus fruits of rich quality are sold in the international markets. Countries where pomegranate fruits disposed are Middle East Asian countries, (Quet, Iran, Irak), Hong Kong, Bangladesh, United Kingdom etc. Co-operative marketing agencies have no direct contact with foreign
DISPLAY OF FRUITS IN CHANDNI CHOWK MARKET, DELHI

DISPLAY OF FRUITS IN PAHARGANJ MARKET, DELHI
markets. Societies use to sales the produce to middlemen or export traders having perfect contacts with foreign traders. It is noteworthy that cooperative societies of the region share nearly 8 per cent of the total export of pomegranate of the country (Kanth, 1999). This has helped to bring foreign currency to Indian economy to a considerable extent. In view of improving quality of pomegranate great scope lies in foreign market in future.

Further analysis reveals that marketwise disposal of pomegranate varies according to marketing management. Co-operative marketing management and groups of growers have mostly (74 to 100 per cent) preferred to send the produce to Delhi market, whereas local private traders have tried to search out several indigenous as well as foreign markets. For example shri Sai Fruits Pvt. Ltd, (table 8.2) has sent 35.71 per cent of total consignment gathered, to Delhi followed by Nagpur market (29.77 per cent). Kolkata is on third rank (7.83 per cent) preferred by this private trader. Bangalore (4.08 per cent), Jammu (3.86 per cent), Ahmadabad (3.45 per cent) Vijaywada (2.57 per cent), Patana (1.19) per cent and Pathan Kot (1.54 per cent) etc. are other indigenous upcountry markets selected by this trader which do not share major disposable fruits.

The analysis shows that the region has commendable linkage with different markets in India (Fig. 8.2). National markets are leading (Over 85 per cent) as compared to local and regional markets (about 7 per cent) in getting marketable surplus. The share of foreign market is also notable (7.38 per cent).
8.8 CONCLUSION

The analysis of figures of trading made available through field survey and from marketing agencies helps in understanding the trading pattern of the region. In the initial stage of pomegranate cultivation and its spread in the region, grower's co-operative societies have played a crucial role in establishing marketing system of pomegranate. In the course of time emergence of other channels like private traders and group of growers is the out come of huge production of this fruit due to rapid expansion of area and limitations of co-operative societies. However to fetch good prices from commission agents of distant upcounty market and to check malpractices, the role of co-operative societies is still significant. Regarding the marketing flow, over three fourth bulk of produce goes to Delhi market. Co-operative marketing societies use to sale very little bulk of total produce in regional market. Whereas private traders tried to search out various new market centres to dispose the fruit with holding risk. Groups of growers have disposed the produce only in Delhi and Nagpur markets.

It is noteworthy that the study region has shared more than ten per cent of the country's total export of pomegranate in 1997-98. Whereas during the period of 1995 to 2000 sample-marketing agencies have exported over seven per cent of the total salable produce. The analysis also reveals that marketing agencies have preferred more market centres of north than south India. Truck transport is significant mode of transport for the study region since it is located away from broad-gauge railway.
route. In view of the improving quality of the pomegranate there is a high scope for foreign market in near future.

REFERENCES

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