

## A STUDY ON RURAL MARKETING INFRASTRUCTURE FOR VEGETABLES IN TIRUVARUR DISTRICT

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### **Abstract**

*Agriculture plays a vital role in India's economy. Over 58 per cent of the rural households depend on agriculture as their principal means of livelihood. Agriculture, along with fisheries and forestry, is one of the largest contributors to the Gross Domestic Product (GDP). India is the second largest country to produce Fruits after China. Marketing of these produce without any delay at the right quality and quantity is one of the toughest challenges to met by the businessmen engaged in all levels of this process. This paper is an attempt to study the marketing infrastructure of Vegetables in Tiruvarur, analyse the problems in its environment and suggest strategies to improve the infrastructural environment.*

**Keywords:** *Marketing Infrastructure, Fruits and Vegetables, Food processing industry, Challenges in the food processing sector, Strategies.*

### **Introduction**

Agriculture plays a vital role in India's economy. As per estimates by the Central Statistics Office (CSO), the share of agriculture and allied sectors (including agriculture, livestock, forestry and fishery) was 15.35 per cent of the Gross Value Added (GVA) during 2015-16 at 2011-12 prices. India is the largest producer, consumer and exporter of spices and spice products. India's fruit production has grown faster than vegetables, making it the second largest fruit producer in the world. India's horticulture output, comprising fruits, vegetables and spices, is estimated to be 283.4 million tonnes (MT) in 2015-16 after the third advanced estimate. It ranks third in farm and agriculture outputs. Agricultural export constitutes 10 per cent of the country's exports and is the fourth-largest exported principal commodity. The agro industry in India is divided into several sub segments such as canned, dairy, processed, frozen food to fisheries, meat, poultry, and food grains. (Source: <http://www.ibef.org/industry/agriculture-india.aspx> (Indian Brand Equity Foundation) Productivity of vegetables in India continues to be low compared to world average productivity. Special emphasis is being given for production of vegetables under protected cultivation under Mission for Integrated Development of Horticulture (MIDH). Per capita

availability of vegetables in India is 357 gm/ person/day, which is helping in fighting malnutrition.

India is the second largest producer of vegetables after China and is a leader in the production of vegetables like peas and okra. Besides, India occupies the second position in terms of production of brinjal, cabbage, cauliflower and onion and the third position in the production potato and tomato in the world. (Report on State of Indian Agriculture, Ministry of Agriculture and Farmer's Welfare, Government of India,2015-16)

### **Review of Literature**

**According to the report, global demand for fruit and vegetable processing was valued at USD 203.3 billion in 2014, is expected to reach USD 319.9 billion in 2020 and is anticipated to grow at a CAGR of 7.9% between 2016 and 2020.**

**(Survey report, Indian Brand Equity Foundation)**

Processed fruit and vegetable have witnessed tremendous growth since the late 1970's. In spite of the increasing demand for the processed fruit and vegetable products, the growth in trade has slow down since the 1990's. One of the factors responsible for the sluggish growth has been multilateral trade rules favoring trade in raw commodities over processed fruit and vegetable. Other factors include nature of competition in the global food industry-from shifting consumer preferences to the growth in multinational food retailers and the ways in which global supply chains are managed. (Aggarwal, Nidhi, Fruit and vegetable processing industry in northern India opportunities and challenges)

### **Marketing Infrastructure**

Marketing infrastructure are those tools and equipments which helps us in managing of a network of all business processes and activities involving procurement of raw materials, manufacturing and distribution management of Finished Goods. This involves supply chain process which involves the art of managing to provide the right product, at the right time, right place and at the right cost to the customer. Factors used to enhance the marketability of specific Light Processed fruits and vegetables include assured delivery of "just-in-time" quantities of products to multiple customers via refrigerated vehicles in short periods. Capability to deliver finished products to customers within 24 to 36 hours from receipt of an order is considered a vital merchandising asset. (Schlimme,DV,1995)

The role of marketing in a firm, the strategies the firm pursues to influence the consumers in their buying decisions and eventually meeting their needs have had gone through a dynamic change over the years. Growth of economies world-wide, shifts in demographic characteristics of population and rapid globalization, among others, have prompted companies, especially multi-nationals, to rethink and re-engineer their corporate and marketing strategies to internationalize their presence, stay profitable and competitive in volatile markets. (Sreedevi1.V and Sulaipher.M,2016)

**Raghunandan (1992)** believed that financial institutions should play a leading role in the creation of infrastructural facilities through provision of loans to small sectors for encouraging fruit and vegetable processing in rural areas.

Concluded that the journey of marketers to the rural markets has indeed been one of the surmounting one hurdles after another. These include the 4As - Affordability, Acceptability, Availability and Awareness. Adopting themselves to the rural atmosphere, marketers quickly innovated along all elements of the 4Ps of marketing mix - promotion, pricing, place and product. The rural roads played an important role in improving the connectivity of the agricultural sector with urban markets for buying and selling of goods and services. (MK Sekhon, Amarpreet Kaur, 2016).

Despite the Indian food industry's growth potential to touch \$258 billion by 2015 from the current level of \$181 billion. The industry is buffeted by 15 major challenges that have depressed its yield levels. As per this survey taken by Food processing Bottlenecks, Federation of Indian Chambers of Commerce and Industry (FICCI) in 2010 the top five challenges identified were.,

Top Five Challenges Identified	Weighted %age of respondents
Inadequate infrastructural facilities	44.25
Comprehensive national level policy on food processing sector	34.46
Food safety Laws	28.51
Inconsistency in central and state policies	28.08
Availability of trained manpower	25.53

Source: FICCI survey on challenges in Food processing sector, 2010

### Statement of the problem

With more than 100 million cultivators in India, the market size of fruits and vegetables trading is almost \$200 billion dollars. This is more than half of the \$383 billion food and grocery industry in India. Jan, 20 (Source: The Times of India Newspaper, 16th 16). But only a small portion of these produce are converted into value-added products. So the need of the hour is commercializing fruits and vegetables by adopting efficient producing, packaging, distributing to cater the demand of both the domestic and international markets. Thiruvarur district (Composite Tanjore Dist) is one of the 32 districts in the Tamil Nadu state of India. The district occupies an area of 2161 km<sup>2</sup>. The district headquarters is at Thiruvarur town. As of 2011, the district had a population of 1,264,277. Thiruvarur district encompasses seven taluks. This paper studies the about the issues and challenges faced in the marketing infrastructure and suggests strategies to improve the same for vegetables in Thiruvarur district.

### Objectives of the study

1. To identify the problems in marketing and distributing both fresh and processed vegetables in Tiruvarur district.
2. To formulate strategies in order to improve sales and efficiency in conducting business

### Research Methodology

The main objective of this research is to identify the problems in marketing and distributing both fresh and processed fruits in Tiruvarur district and to formulate strategies in order to improve sales and efficiency in conducting business. The nature of the research is exploratory method, and the samples has been collected from 605 respondents and data collection method used in this research “Questionnaire Method”. The respondents were only retailers. Data has been analyzed by using SPSS 16.0. Findings, suggestions and conclusions has been made by keeping an eye on the research objectives.

### Limitations of the study

- The respondents were limited to only retailers i.e., Vegetable vendors, Grocery shops and Super markets
- The study was conducted in and around the Tiruvarur district.

### Analysis and Interpretations

Demographic Profile		Frequency
<b>Age</b>	Less than 21	24
	21-30	161
	31-40	155
	41-50	85
	Above 50	50
<b>Marital status</b>	Single	155
	Married	320
<b>Type of Retail outlet</b>	Vegetable vendor	275
	Grocery stores	97
	Super Market	103
<b>Experience in Fishing</b>	Less than 5 Years	50
	6 - 10 Years	120
	11- 15 Years	125
	16 - 20Years	30
	Above 20 Years	150

	Functional Infrastructure					Total
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	
Super Market	54	65	6	2	3	130
Grocery	9	37	67	2	8	123
Veg Vendor	5	10	37	201	100	353
	68	112	110	205	111	606

	Channel Clarity					Total
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	
Super Market	69	65	0	0	0	134
Grocery	0	37	79	0	0	116
Veg Vendor	0	0	39	221	96	356
	69	102	118	221	96	606

### Findings

1. Functional Infrastructure: Super market retailers have strongly agreed that they have proper functional infrastructure such as facilities such as Cleaning, Drying, processing etc. Vegetable vendors have disagreed on the availability of these facilities.
2. Mobile Infrastructure: Retailers belonging to the Super Market who are experienced more than 11-20 years have their own transport.
3. Reliability on the existing chain: The Super market retailers and the Grocery shop owners are having high reliability on the existing chain more than that of the Vegetable vendors. Only 20 percent of the vegetable vendors have agreed that there standard infrastructure facilities.
4. Only those retailers belonging to the Urban areas are aware of the Direct marketing channels, though there are some policies they are not effectively implemented.
5. More than 65 percent of the respondents have told that there are no trained manpower.
6. About 60 percent of the respondents have told that there should a comprehensive and consistent central and state laws to enable the whole functioning of the industry in an effective manner.
7. There are high levels of wastage both in processed and in fresh vegetables. This happens due to fragmented supply chain.
8. Awareness of E-trading and other facilities provided by the Agricultural department is not reaching rural marketers, vegetable vendors in particular

### Suggestions and Recommendations

1. Cold storage chains and back-end infrastructure should be set up in order to prevent losses and meet acute price fluctuations. This could prevent huge losses and smooth revolving of the marketing cycle and supply chain process.
2. Though channel clarity is available with the wholesalers, retailers and all the participants of the supply chain, strong Marketing Information System shall be maintained.
3. Provision and awareness of functional infrastructure for assembling, grading, weighing, quality certification, waxing, standardizing, and other value addition should be provided.
4. The marketing channels should be manned with adequate manpower with acute knowledge of food safety, food security, price fluctuations, market trends etc.,
5. Direct marketing could be promoted so as to increase market efficiency and accessibility. This will enable the consumers to beat the price fluctuations arose due to the member of the marketing channels.
6. There should be alternative agricultural marketing infrastructure by inducing either private or cooperative sector so that quality and productivity gets enhanced.
7. The infrastructure for grading, standardization and quality certification of agricultural produce should be developed and encouraged for betterment of the quality.
8. Storage facilities could be outsourced from private businessmen so as to enable all the marketers to avail this facility. There should be comprehensive policies taken by both central and state government to integrate processing units of producers and the marketers.

Finally, general awareness camps, education and training sessions can be taken for farmers, entrepreneurs and market functionaries to make them aware of the all the infrastructure facilities and opportunities.

### Conclusion

The fruit and vegetable processing industry in India is highly decentralized. A large number of units are in the small scale sector, having small capacities upto 250 tonnes/annum though big Indian and multinational companies have capacities in the range of 30 tonnes per hour or so. The prominent processed items are fruit pulps and juices, fruit based ready-to-serve beverages, canned fruits and vegetables, jams, squashes, pickles, chutneys and dehydrated vegetables. More recently, products like frozen pulps and vegetables, frozen dried fruits and vegetables, fruit juice concentrates and vegetable curries in restorable pouches, canned mushroom and mushroom products have been taken up for manufacture by the industry.(Investor's portal survey report, Ministry of Food

Processing Industries, Government of India), 2015. Thus if marketing, functional, mobile infrastructural facilities are accelerated improving all the shortcomings and inculcating all the suggestions, this industry can be a robust industry which could contribute to our National income and create global market for our products.

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