

Marketing Problems of Horticultural Crops: A Study of Kamrup (M), ASSAM

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Abstract- Diversification of agriculture is an important strategy for agricultural development and the significance of horticultural crops has been well accepted. The North-Eastern Region of India is an untapped reservoir of potential for development of horticulture. The Technology Mission for the North East States with its integrated approach at developing and expanding area and production under such crops with scientific techniques and processes has gradually yielded dividends. Assam being a traditionally horticultural state due to its diverse and unique agro-climatic conditions is conducive for growing wide range of horticultural crops but the marketing of horticultural crops is complex and risky. In case of Assam, the constraints of horticulture marketing is creating unfavorable environment regarding its economic development. Therefore, this paper tries to assess one of the major constraints of horticultural production, i.e. marketing functions taking the different variables for its slow production. For this, a study area has been selected in Dakhin Rani Moza (Block), under ICAR [Indian Council of Agricultural Research], kahikuchi Branch, Guwahati, where villages are engaged with producing major horticulture crops. Further, this paper will also try to advocate some suggestions on how to overcome the constraints and make the maximum use of the identified opportunities.

Keywords: Horticulture, Constraints, Marketing, Middlemen, Transportation.

I. INTRODUCTION

The area under horticulture farming has increased from 12.8 million hectare in 1991-92 to 23.41 million in 2014-15 and contributes 34% of GDP. In recent years, from 2012-2013, the horticultural production has surpassed the food grains production (Horticulture Statistics, 2015). Horticulture crops are highly remunerative for replacing subsistence farming and alleviating poverty. It has potential for development of wastelands through planned strategies, need comparatively less water than food crops and provide higher employment opportunity. Horticultural crops are important for nutritional security, environment – friendly, high-value crops with high potential of value-addition, have high potential for foreign exchange earnings and make a higher contribution to GDP.

The North-Eastern Region of India is an untapped reservoir of potential for development of horticulture. Abundant in crops like Banana, Pineapple, Cashew, Citrus, Ginger and Onions which have high commercial value before or after processing, the region seems to have already missed a great opportunity as Post-liberalized India is looking forward to penetrating international markets. Moreover, Assam being a traditionally horticultural state due to its diverse and unique agro-climatic conditions is conducive for growing wide range of horticultural crops like various fruits, vegetables, flowers, spices, nuts, tuber crops, medicinal and aromatic plants (Das, 2016). But, the infrastructure, procurement practices, marketing approaches and processing facilities are observed as the major constraints in the marketing of these horticulture products in the region.

In simpler term '**Marketing**' is a process of commercial transactions of buying and selling. The entire marketing process includes functions of production planning, production and dissemination of market information, financing of markets and their administration, the activities of marketing intermediaries, the provision of training and extension to individuals and groups involved in marketing, research activities etc.

II. MARKETING OF HORTICULTURE PRODUCE

The marketing of horticultural crops is complex and risky due to their unique conditions of high perishability, seasonability and bulkiness. Horticultural crops require special care and attention in providing time, form and space utilities which in turn adds to the marketing costs. The Common Marketing Channels for horticultural crops in Assam are:-

- ✚ Grower - Forwarding Agent - Commission Agent - Retailer – Consumer.
- ✚ Grower - Grower's representative - Retailer – Consumer.
- ✚ Grower - Wholesale merchant - Retailer – Consumer.
- ✚ Grower - Pre-harvest contractor - Commission Agent in assembling market - Commission Agent in distributing market - Retailer - Consumer.
- ✚ Grower - Commission Agent - Wholesaler - Retailer – Consumer

The most common marketing channel immediately available to the farmer is through brokers. Besides, the market actors namely producers, collectors, brokers, transporters, traders, consumers, and exporters play different roles along the market chain and also make it own market margin. Farmers' bargaining power is low due to the lack of alternative market outlet. The producer seller continues to be the weakest link in the chain. This system is unfavorable to the farmers yet it exists due to the absence of infrastructure and improper management coupled with lack of market intelligence etc.

III. MARKETING PROBLEMS IN ASSAM

In case of Assam, the major constraints of horticulture marketing include lack of markets to absorb the production, low price for the products, large number of middlemen in the marketing system, lack of marketing institutions safeguarding farmers' interest and rights over their marketable produces (e.g. cooperatives), lack of coordination among producers to increase their bargaining power, poor product handling and packaging, imperfect pricing system, lack of transparency in market information system mainly in the export market etc. (Deka & Sarmah, 2012). Besides, the situation is worsened by the perishability of the products. Informal transaction prevails in the export system. Producers and local traders receive value for their products only after the exported product is sold. There is a lack of standard for quality control and hence lack of discriminatory pricing system that accounts for quality and grades of the products.

IV. REVIEW OF LITERATURE

The States in the North Eastern Region of India offer immense scope for exploiting the export potential of their horticulture products. These States have been producing substantial quantities of fruits and vegetables, which have considerable potential for exports to the international market (APEDA Report, 2010). The horticultural products can be successfully developed and commercially exploited for targeting international markets.

However the agricultural marketing system in the North-Eastern States is distinctly different from the other states in the country. It is observed that, the ownership structure and functioning of the markets in these states is heterogeneous. Hence, it is rather difficult to implement the reforms process initiated by GOI in the absence of uniformity in the functioning of the markets. Agricultural and horticultural production of the Assam State is serviced through more than 1100 rural weekly markets and a network of 75 primary wholesale Markets & 30 secondary wholesale markets. Besides these there are other markets which are under Town Committee and District council (NIAM Report, 2012).

The markets in the region are largely unorganized and dominated by the small private traders. The infrastructure, procurement practices and marketing approaches are the major constraints in development of markets in the region. The basic infrastructure facilities like storage, warehousing and transportations are missing and thereby affect the storage and mobilization of goods. The hilly terrain of the area creates huge problems in transporting the produces from the fields to the small markets and further transportations for exports. In the absence of any suitable assistance, the local traders are procuring the produce through their own channels and some of the produce is being exported to the neighboring countries like Bangladesh and Myanmar (APEDA Report, 2010).

The promotion of exports of horticulture produces from the NER requires a major support in building the necessary infrastructure and support systems. The existing infrastructure for the development of horticulture is highly inadequate in many ways. The low technological base and limited market infrastructure with virtually no storage facilities and inadequate means of transport have resulted in a very low or even no growth in this sector (APEDA Report, 2010; Das, 2016).

V. OBJECTIVES

1. To study the performance of the horticultural sector in Assam.
2. To identify the problems of marketing associated with the production of horticultural crops in the study area.
3. To do a SWOT analysis of the horticultural sector in Assam.
4. To suggest some policy measures to improve the marketing facilities of horticultural crops in the study area

To understand the problem of marketing in the study area the *variables/ factors* taken into considerations are- lack of market, low prices of their product, lack of storage facilities, lack of transportation, lack of market information, brokers hindrance or emergence of middlemen in the marketing system, perishability of the product (Das, 2016).

VI. METHODOLOGY

The study was conducted in selected major horticulture producing villages of Dakhin Rani Moza (Block) with the guidance of ICAR [Indian Council of Agricultural Research], kahikuchi Branch, Guwahati. This Branch has 5 Panchayat under its belt, viz. Azara Panchayat, Kahikuchi Panchayat, Holagaon Panchayat, Garol Panchayat and Upparhali Panchayat respectively.

The Dakhin Rani Moza comes under Azara & Kahikuchi Panchayat, which has 33 villages. Among these villages, 10 numbers of villages' viz. Nargaon, Batabari, KochriAlibari, KheanaAlibari, Bahupara, Rangapara, Koalapara, Rajapanisanda, Anderijuli and Sajonpara respectively are selected by using simple random sampling. From each village 10 producers engaged in horticulture production are selected with the help of the Village Head (Gaon Bura) and interviewed and accordingly the total sample size (respondents) become 100.

Questionnaires were distributed personally to collect primary data from the producers that are engaged in producing horticultural crops and more specifically the farmers associated with *vegetables productions*. Different types of vegetables are grown in the study area with different intensities in terms of land and other input allocation, purpose of production, and marketability. However, the vegetables taken into considerations for the said study are potato, cabbage, onion, carrot, and tomato due to its availability magnitude.

The data collection was done in February – March, 2019.

The primary data were collected from the producers only and their views were only incorporated to understand the marketing problems associated with horticultural production. Few secondary data were also collected from different offices such as the Agriculture and Rural Development Offices of the zones, office bearers etc.

VII. RESULTS & DISCUSSION

6.1 Horticulture scenario in Assam (2001 - 2017)

Till 2001, the sectoral growth of Horticulture in Assam was not significant as evident from lower production and productivity of major horticulture crops. However, the introduction of centrally sponsored Scheme under Horticulture Mission by Govt. of India during 2001-02 and Rashtriya Krishi Vikash Yojana (RKVY) during 2008-09 has shown remarkable progress both in area, production & Productivity of Horticulture Crops and also the income of small and marginal farmer's. This is shown in the following table-

Table -1 Performance of Horticulture Sector from 2001 to 2017 in Assam

Crops	Area/Production /Productivity	2000- 01	2016-17	Performance after 16 years
Fruits	Area	1.09	1.44	Increased by 0.35 Lakh Ha
	Production	12.41	20.56	Increased by 8.15Lakh MT
	Productivity	11384	14246	Increased by 2862 Kg/Ha
Vegetables	Area	1.95	2.79	Increased by 0.84 Lakh Ha
	Production	24.71	51.63	Increased by 26.92Lakh MT
	Productivity	12672	18457	Increased by 5785Lakh Kg/Ha
Spices	Area	0.81	1.08	Increased by 0.27 Lakh Ha
	Production	1.52	3.57	Increased by 2.05Lakh MT

Source: [http://dirhorti.assam.gov.in/sites/files/Present Scenario Horticulture in Assam.pdf](http://dirhorti.assam.gov.in/sites/files/Present_Scenario_Horticulture_in_Assam.pdf)

6.2 –Problems faced by the Respondents-

After careful scrutiny of the questionnaire, it was observed that, mostly the marketing issues are hindered by various factors. Hence, the proportion of respondents who ranked the marketing problems, specifically in the production of the vegetables, viz. Potatoes, Cabbage, Onion, Carrot and Tomatoes are listed in the following Table 2:

Table -2 Proportion of Respondents (in %) who ranked the Marketing Problems

SL. No.	Marketing Constraints/ Problems	POTATEOS	CABBAGE	ONION	CARROT	TOMATO
1.	Lack of Market	68	74	65	86	74
2.	Low Price	97	96	95	97	97
3.	Lack of Storage Facilities	61	57	65	65	54
4.	Lack of Transportation	48	61	74	53	45
5.	Lack of Market Information	71	76	71	75	75
6.	Middlemen Hindrance	59	71	58	71	71
7.	Perishability	31	47	63	43	46

Source: Survey Data (February- March, 2019)

Most of the farmers, i.e., 95 percent to 97 percent feel that they do not get the right price or get low price for their different products (viz, potatoes, cabbage, onion, carrot & tomato) and making it the most important constraints for horticultural marketing. Moreover, the farmers are also consistent in saying that lack of market information is another marketing problem for getting the low price of their products and it varies between 71 percent to 76 percent for the given vegetables. Next to that, lack of proper market is another problem for marketing the products and it ranges between 65 percent to 86 percent. Again, the presence of middlemen leads to another constraints in marketing their products, stands between 59 percent to 71 percent. Moreover, lack of storage facilities is one of the important constraints in marketing the horticulture products, ranked from 54 percent to 65 percent. However, regarding the constraints of lack of transportations and perishability of the products, the farmers views are fluctuating, some of them giving high ranked and some of them ranking low. This may be due to the locality of production, which is or may be nearer to the urban areas.

6.3 SWOT Analysis-

Assam being a traditionally horticultural state due to its diverse and unique agro-climatic conditions is conducive for growing wide range of horticultural crops and has established its credibility. The credibility of horticulture has been well established in improving productivity of land, generating employment, improving economic conditions of the farmers and entrepreneurs, enhancing exports and above all providing nutritional security to the people. There are two main sources that generate statistics of production of horticultural crops. The first is the Directorate of Economics and Statistics, Ministry of Agriculture (DESMOA), which operates a centrally sponsored scheme “Crop Estimation Survey on Fruits and Vegetables”. The second source of horticultural statistics is the National Horticultural Board (NHB), which compiles and publishes estimates of area, production and prices of all important fruit and vegetable crops based on reports furnished by the State Directorates of Horticulture and Agriculture. Considering the above two sources and from our field study that we carried out, the following SWOT analysis is put forward:

Table- 3 SWOT ANALYSIS

STRENGTH	WEAKNESS	OPPORTUNITIES	THREAT
Abundance of water bodies/ resources.	Lack of Quality inputs	Increasing demand for diversified and value added horticulture products.	Natural calamities, eg: flood & erosion are prime in Assam.
Large riverine areas (i.e. the Char Areas).	Poor farm mechanization and lack of irrigation facility.	Availability of new technologies and innovative farming practices.	Deteriorating ground water level and soil health due to high use of chemicals & pesticides.

Huge work force able to work on field areas with cheap labour cost.	Lack of post harvest - processing, marketing and transport facilities.	Favourable Public Private Partnership (PPP) model in rural areas.	High cost of cultivation in developing the infrastructure.
Suitable climate for most of the horticultural crops.	Inadequate credit facilities.	Commercialization of horticultural products due to emerging Globalization.	Increasing competition regarding technology and production from other States / Countries.

6.4 SUGGESTIONS-

In terms of what should be done to improve the marketability of the horticulture products, i.e. of the vegetables produced in the given study area, the producers offered different suggestions. Table 3 shows some of the interventions suggested to remove the marketing problems of the horticultural products of the study area-

Table- 4 Suggestions for Removal of Marketing Problems

SL. NO.	SUGGESTIONS OFFERED	% OF RESPONDENTS
1.	Provision of Storage facilities in the nearby areas	7
2.	Teach Society/Create Awareness to consume more vegetables and fruits and their benefits	16
3.	Improve Quality of the Products	8
4.	Stabilize the Market Price	30
5.	Increase production & Size of the Market	30
6.	Nothing	4
7.	No Comment	6

Source: Survey Data (February- March, 2019)

Out of the suggestions that were being offered by the cultivators, 30 percent of the respondents feel that the market price should be stabilized so that the farmers get a good price for their produce while the another equal 30 percent feel that the size of the market should be increased so that the cultivators can increase their production of the respective vegetables that they produce and get a higher return. 16 percent of the respondents consider that if there is awareness among the consumers about the good nutritional values of the fruits and vegetables then the marketing problems can be reduced to some extent. While 8 percent of the respondents consider that the improvement in the quality of the products can lower their marketing problems. Provision of storage facilities in the nearby areas has been given by 7 percent of the respondents. 6 percent and 4 percent of the respondents commented as no comments and nothing respectively.

VIII. CONCLUSION

Horticultural crops occupy about 15% of the gross cultivated area of Assam. Assam being a traditionally horticultural state due to its diverse agro-climatic has the potential to generate employment and promote trade besides food security. Vegetables provide the most intensive production system where some farmers produce them in three cycles within the same year. Yet, commercial production of horticulture has been very slow in Assam. Moreover the production is concentrated in the lowland areas. The study focuses the horticulture marketing constraints from the view point of producers only, however, it could have had been better if the problems of horticulture marketing, could be possibly analyse by visiting different medium such as, consumers and intermediaries along the marketing channel. However, the study concluded that the stabilization of market price and increase in the size of the market and production can reduce the marketing problems of the cultivators to a great extent.

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