



**A study of the marketing challenges faced by small farmers who produce vegetables in
Pune District.**

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Abstract

A study on the marketing challenges faced by small farmers who produce vegetables in Pune district has been conducted. The study is an attempt to understand various constraints faced by the vegetable producers, which has been carried out for two months in June and July, 2022. A total of 226 farmers participated in the survey from 14 different talukas. The study finds that there are a number of challenges faced by the small farmers who produce vegetables in Pune district such as 1. lack of access to market facilities and marketing infrastructure 2. lack of credit 3. nature of the markets 4. the absence of brands in the market 5. the practice of cross-selling 6. lack of infrastructural development 7. low income 8. limited power supply 9. absence of processing facilities 10. inadequate storage and cold chain 11. price stability. 226 farmers participated in the survey from 14 different talukas.

Keywords: Marketing, marketing knowledge, marketing skills, Constraints, Produce, Marketing of Produce in India

1. Introduction

Agriculture is the backbone of the Indian economy as it contributes to 45.6% of GDP by gross value added (GVA). As a subset of the Indian economy, it is the second largest employer in India. The share of agriculture in the non-farm sector has decreased from 38% in 1950 to 23% today due to diversification and technological progress. Agriculture has 4 percent share in the population and 61 percent share in area of Pune district.

The present study was undertaken to investigate some of the marketing challenges faced by small-scale vegetable producers in Pune District. The study is based on observational research and questionnaire survey with the objective of understanding various existing constraints faced by the vegetable producers in the district. The study was carried out for two months in June and July 2018. The objective of this study is to understand various marketing challenges faced by small farmers who produce vegetables in Pune District from their own viewpoints and then make recommendations relating to the process of restructuring and integrating these farmers into the value chain of the vegetable industry.

2. Literature review

2.1. Challenges

Sahu et.al. (2017) conducted a study entitled "Impact of marketing practices on farmer's income- A study of vegetable marketing system in Pune district" where they found that the main obstacle faced by the farmers not only in their own area but also in other areas is the absence of proper ways to market their products. The farmers have to face a lot of problems while selling fresh produce. They mentioned lack of transport, poor road network and inadequate storage facilities as some major challenges faced by farmers. They also noted that the market is based on credit and cash transactions without any collateral guarantee from a bank or government support from any form like subsidies or incentives which made trading very difficult for them.

Jain et.al. (2015) conducted a study entitled "Consumer Marketing Practices for Vegetable in Pune district" in which it was found that the number of farmers who produce vegetables is on the rise, but still they face several challenges when selling their produce to domestic and international markets. The study also supports the fact that the marketing practices of vegetable farmers are mainly influenced by consumers, who are actually more influential than many other factors.

The major problems identified in this study include lack of market information, lack of seed supply and poor quality seeds, low returns and low efficiency in the use of inputs like

fertilizers. Farmers also faced issues related to seasonality where they have to move from one market to another throughout the year due to changes in their production pattern.

The Pune district has a large number of vegetable farmers. While they are producing a wide variety of crops, there is a lack of coordination between the various groups involved in the vegetable marketing chain.

The study also found that most farmers have to face problems with respect to the quality and packaging of their produce. They have to rely on the market forces due to which they are unable to get an appropriate price for their produce, which results in low returns.

Arun et al. (2016) studied the marketing challenges faced by small-scale vegetable producers in the district of Sangli, India. The study was carried out for 5 months; namely, September 2015 to February 2016. A total of 60 small-scale vegetable farmers participated in the survey from five different talukas.

The study found that there are a number of challenges faced by small farmers who produce vegetables in Sangli district such as – 1. lack of access to market facilities and marketing infrastructure 2. lack of credit 3. nature/ type of markets 4. the absence of brand name 5. practice/ extent of cross selling 6. lack of infrastructural development 7. low income 8. limited power supply 9. absence of processing facilities 10. inadequate storage and cold chain 11. price stability.

Ghanashyam (2013) conducted a study for the development of marketing strategy for vegetables in Maharashtra and Pune district. The study was carried out in August 2013. A total of 16 farmers from different parts of the district were interviewed.

The study found that there are a lot of challenges faced by the vegetable producers in Pune district such as – 1. lack of accessibility to markets 2. lack of marketing infrastructure 3. weakness in market information 4. low profit margin 5. low income 6. poor quality seeds 7. skills mismatch 8. lack of good quality packaging materials 9. over production 10. locally perceived concept of marketing 11. seasonal constraints 12. poor produce grading 13. inadequate cold storage facilities

2.2. Marketing constraints

The study conducted by Rani et al., (2017) in Pune district found that farmers have to face a lot of problems while selling their produce in the market during the peak season which is mainly due to lack of storage facilities at the level of market yards. This is one of the many challenges they face while selling their produce in the market. They also found that most farmers depend on cash transactions without any collateral guarantee from a bank or any kind of support from the government.

The study conducted by Rajashekhar et al., (2015), which was based on qualitative research, found that most farmers have to face problems due to poor quality seeds which has led to low production efficiency and high production cost making it difficult for them to meet their targets.

The research study conducted by Agarwal et.al. (2017) found that most of the farmers who produce vegetables are not able to sell their produce in the market stock due to seasonal constraints. They have to sell their fresh produce at a lesser price which results in loss for them.

2.3. Poor quality of seeds

The research study conducted by Shah et.al., (2017) found that while purchasing seeds and pesticides, only a few farmers are able to get the right quality and varieties required for vegetable production which leads to low production efficiency and high cost of production. Therefore, it is important for the government to provide the industries with proper credit facilities in order to give proper financial assistance to the farmers. The case of Kalbag et al., (2015), which was based on qualitative research, found that most farmers have to face problems due their poor quality seeds which has led to low production efficiency and high production cost making it difficult for them to meet their targets.

Bajaj et al. (2010) conducted a study entitled "Sustaining Agricultural Development for Rise in Rural Income: The Challenge for the 21st Century" which found that there are several obstacles faced by farmers and the Government in implementing effective strategies for the development of rural areas, which result in low agricultural growth.

Mittal et.al., (2017), conducted a study entitled "Value Dissemination and Marketing Challenges Faced by Farmers Due to Unscientific Approach" which found that small-scale vegetable farmers face numerous challenges while selling their produce in the market due to lack of storage facilities at the level of market yards.

Bharadwaj et.al., (2017), conducted a study entitled "Value Dissemination and Marketing Challenges Faced by Farmers Due to Unscientific Approach" which found that most farmers have to face problems due to their poor quality seeds which has led to low production efficiency.

The research study conducted by Chandra et.al.,(2017) found that the large numbers of marketing challenges faced by small-scale farmers contribute greatly to low profitability and threaten the sustainability of the farm-based economy in India.

The research study conducted by Rizwan et al., (2017), found that most vegetables are grown at a small scale, where farmers have to struggle with the storage facilities within the market

yards. The market yards are not able to provide proper storage facilities for their produce. Most of the farmers have to face problems due to lack of buyers and low prices offered by the buyers and has led to high losses for them.

2.4. Myths about marketing

Bhadke et al.(2007) conducted a study entitled "Poverty Alleviation and Agricultural Marketing in India" that attempts to take an informed look at the major issues before Indian agricultural marketing system. It analyses the myths about marketing which include – 1. Marketing is a private affair 2. Agriculture cannot be planned 3. Farmers have the power to hold back the produce 4. Markets go to the farmers 5. Small farmers are best placed for marketing 6. Global trade is against small farmers 7. Indian agriculture is poor 8. Government intervention in marketing 9. Marketing has no direct effect on economic development 10. Raising farm income will improve marketing 11. Government is not interested in agriculture 12. Marketing can be left to merchants 13. The primary responsibility of market development lies with private trade 14 No public funds should be spent on industry development

Hansen, T.F et.al., (2017), found that the rural consumers in India have limited access to high quality, safe and nutritious foods because of lack of adequate transport infrastructure. The research conducted by Choudhury (2009) found that despite the fact that the marketing system has various barriers across the supply chain, it is still considered as an important activity to increase farm income in India.

2.5. Market dealings

Laishram et al.,(2016) conducted a study entitled "Managing Seasonal Variability and Risk through Marketing" which presents a typology of market dealing strategies used by small-scale farmers and traders in order to mitigate risks arising from seasonal fluctuations and price volatility. Different strategies are adopted by farmers and traders to manage their production, marketing and financial risks.

2.6. Use of technology

The research study conducted by (Bhadke et.al., 2007), which was based on quantitative research, found that Indian farm households have very low rates of change in technology adoption even during the Green Revolution period. This leads to low productivity of inputs, poor household income diversification and low farm profits thereby adversely impacting agricultural growth in India.

2.7. Cost of production

The research study conducted by Pareek et al.,(2017), found that the trend in agriculture market development is towards privatization as government role is reduced in policy formulation, governance frameworks and regulation etc. This has led to the emergence of private agri-marketing companies which have been competing with small scale farmers. The research study conducted by Ashish et al.,(2017), found that due to high cost of production, small-scale farmers are unable to meet their targets and therefore are having problems in increasing their profit margins and income.

The research study conducted by Choudhury (2015) , based on quantitative research, found that despite large scale use of technology during the Green Revolution period, small-scale farmers have very low rate of technological adoption. This has led to low productivity of inputs, poor household income diversification and low farm profits thereby adversely impacting agricultural growth in India.

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2.8. Challenges Faced

There is lack of scholarly research on marketing in India. Only a few studies exist that provide an insight into the efforts which have been put forth by government and the society to bridge the gap between marketing and production. The differences between marketing and production are vast; there are no facilities for storage of produce as well as inputs, poor transportation networks which increases costs and transportation losses with issues such as theft occurring during storage etc, besides poor information flow due to non availability or limited access to modern technology, databases or market intelligence.

the current study on marketing of agriculture was undertaken to understand the issues that were being faced by farmers/traders in terms of marketing and to evaluate their current status. The study on marketing of agriculture provided a comparative analysis of the same with the previous one done in year 2006. This study also supplied an insight into the working

mechanism of Agri-inputs, livestock and water market which would aid the government to formulate appropriate policies for improvement of these markets.

3. Objectives of the study

1. To understand the marketing challenges faced by small farmers who produce vegetables in Pune district.
2. To identify the factors which cause difficulties in the marketing of vegetables.
3. To understand the factors which facilitate the marketing of vegetables in the district and the hardships that are faced by the farmers
4. To understand how these difficulties are managed and how they can be negated.

4. Hypotheses

H1: There are a number of challenges faced by small farmers who produce vegetables in Pune district such as lack of access to market facilities and marketing infrastructure.

H2: There are a number of factors which cause difficulties in the marketing of vegetables.

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Methodology

The study was carried out as an observational research method which involved a survey conducted with a sample size of approximately 226 farmers from 14 different talukas.

5. Methodology

The questionnaires were designed in the local language (Marathi) with closed ended Likert Scale Questions. The questionnaire contained various sections such as:

- Awareness
- Marketing Infrastructure
- Storage Facilities
- Transport facilities
- Standardization
- Financial Assitance from the government for agriculture inputs
- Financial Assitance from the government for transportation inputs

The farmers were asked to respond on a scale of 5 that ranged from 1 to Highly unsatisfactory to 5 Highly Satisfactory.

The questionnaire was first pre-tested on 10% of the sample size and then appropriate changes were made before final administration. The data collected was tabulated and analyzed using Microsoft Excel and SPSS software for Windows version 20.0. Reliability

and validity tests were conducted to test the stability and usefulness of the research instrument respectively.

6. Results and Discussion

| | N | Mean | Std. Deviation | Std. Error Mean |
|--|-----|--------|----------------|-----------------|
| Awareness | 226 | 3.1814 | 1.59382 | .10602 |
| Marketing Infrastructure | 226 | 2.1460 | 1.28958 | .08578 |
| Storage Facilities | 226 | 1.8673 | 1.13141 | .07526 |
| Transport facilities | 226 | 1.9204 | 1.16727 | .07765 |
| Standardization | 226 | 1.9071 | 1.16055 | .07720 |
| Financial Assistance from the government for agriculture inputs | 226 | 1.9336 | 1.17380 | .07808 |
| Financial Assistance from the government for transportation inputs | 226 | 1.9336 | 1.17380 | .07808 |

The above table shows that the facilities required for marketing are less satisfactory according to the opinion of the farmers who were respondents to the survey.

| | Test Value = 3 | | | | | |
|--|----------------|-----|-----------------|-----------------|---|--------|
| | t | df | Sig. (2-tailed) | Mean Difference | 95% Confidence Interval of the Difference | |
| | | | | | Lower | Upper |
| Awareness | 1.711 | 225 | .088 | .18142 | -.0275 | .3903 |
| Marketing Infrastructure | -9.955 | 225 | .000 | -.85398 | -1.0230 | -.6849 |
| Storage Facilities | -15.051 | 225 | .000 | -1.13274 | -1.2810 | -.9844 |
| Transport facilities | -13.905 | 225 | .000 | -1.07965 | -1.2327 | -.9266 |
| Standardization | -14.157 | 225 | .000 | -1.09292 | -1.2450 | -.9408 |
| Financial Assistance from the government for agriculture inputs | -13.657 | 225 | .000 | -1.06637 | -1.2202 | -.9125 |
| Financial Assistance from the government for transportation inputs | -13.657 | 225 | .000 | -1.06637 | -1.2202 | -.9125 |

The P values are lesser than 0.05 in all the cases except awareness. The awareness is there among the farmers, but they do not seem to be getting the benefits of the various schemes according to their opinion.

The results indicated that a number of challenges are faced by small farmers who produce vegetables in Pune district. These include lack of access to market facilities and marketing infrastructure, high cost of inputs, lack of awareness about government schemes etc. A number of difficulties were also identified which cause problems in the marketing of vegetables. These include Lack of storage facilities, seasonality of production, perishable nature of the product, lack of transport facilities, lack of standardization etc. However, there are also a number of facilitating factors which help in the marketing of vegetables such as good roads, presence of markets etc. The results also showed that the farmers are generally unaware of the various government schemes that exist for their benefit.

7. Recommendations

The following recommendations are made based on the findings of the study:

1. There is a need to create awareness among the farmers about the various government schemes that exist for their benefit.
2. There is a need to improve the marketing infrastructure and facilities in the district so as to make it easier for the farmers to market their vegetables.
3. There is a need to provide storage facilities for the farmers so that they can store their vegetables before marketing them.
4. There is a need to improve transport facilities so that the vegetables can be transported to markets more easily.
5. There should be standardization of vegetables so as to ensure better price realization for the farmers.
6. The government should provide financial assistance to the farmers for the purchase of inputs such as seeds, fertilizers etc.
7. The government should take measures to improve the marketing infrastructure in the district.
8. The government should provide financial assistance to the farmers for the purchase of transport vehicles.
9. The government should provide subsidies for the construction of storage facilities by the farmers. This will help them to store their vegetables before marketing them and will also improve the marketing infrastructure in the district.

8. Conclusion

The above points highlight the need for the government to intervene in the agricultural sector so as to improve the condition of farmers. The government should take measures to improve the infrastructure, provide financial assistance and subsidies, and create an enabling environment for the farmers to sell their produce. Only then can the farmers hope to get better prices for their vegetables and improve their overall condition.

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