

Ethical Issues in Un-Organized Market for Fruits and Vegetables in Mysore District

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Abstract

Markets for fresh Fruits and vegetables in India are mainly characterized as un-organized markets. Majority farmers either willingly or forcefully sell away the fresh fruits and vegetables at the farmyard or in the un-organized market situated close by. Lack of marketing knowledge, inability in time management, timidness in moving forward into the advanced world, working capital crunches, domestic compulsions, absence of proper logistic arrangements, poor storage facilities and social stigma influence the farmers in disposing of fruits and vegetables grown by them in the unorganized markets. Heavy fluctuations in the price in either way acts as boon sometimes and bane other times. Further, deceptive practices of middlemen add to woes of farmers. Charging high commissions, improper weighing and irregular payments are important deceptive practices of middlemen. The farmers get elated when the prices shoot up and get disheartened when prices crash down. The incidences of throwing the vegetables on the street when the prices get down to the point of nadir and getting back to the villages cursing themselves by the farmers is often reported. Lacking in market intelligentsia is affecting gullible farmers very much. Ninety-nine percent of the businesses are in the unorganized sector and reports suggest that they are declining. The divergence between the two sectors is visible. The head of the largest luggage manufacturer recently said that their growth is surging because the smaller units are not doing well. The rules of economic gains enable the organized sector to corner most of the gains of development. The marginalized sections are expected to be satisfied with their meager material gains. Secondary data is used to collect the data and the study is focused only to Ethical issues in Un-organized markets for fruits and vegetables in Mysore District.

Keywords: Un-organized market, Fruits &Vegetables, Middlemen, Fluctuations, Globalization

1. Introduction

Market for the fresh fruits and vegetables in underdeveloped & developed economics, is mainly characterized as un-organized market. The impediments led the growers of fresh vegetables are facing under the given Socio-economic conditions are not able to replicate systemized marketing model of developed economies on their part. In India, the market for fresh fruits and vegetable accounts for 70%-80% of total agrarian markets. Increase Population, increase in the induce of fresh fruits and vegetables by the health conscious society has contributed to the increase in the demand side. The supply side on the other hand is witnessing volatility owing to irregular production and improper market infrastructure. While irregular production is an outcome of scarce, water resources, improper cultivation model, adversaries of climate, unwise cropping pattern & pests. Most importantly the marketing modules that

the growers of fresh vegetables adopt are unorganized in nature. The presence of middlemen in the chain of distinction away major chunk of price paid by ultimate customers. Panic Sales at the local market yards in abilities in collecting & use of market intelligence & easy ability to the pressures of dominant buyers grow add to the of growers.

Often it is implied that the marginalized should be grateful for whatever little they have got. Rising disparities are justified on grounds of merit while glossing over the impact of skewed social development at the expense of the marginalized sections. Globalization which benefits the organized sector is also held out as progress for the country, while ignoring its marginalizing impact.

There are so many production and marketing problems that challenge fruits and vegetables development in the district. The nature of the perishable product, production seasonality, lack of transport, storage, post-handling facilities and lack of organized market system have resulted in low and unstructured income. The most common causes of loss are: mechanical injury, injury from temperature effects and pests and diseases. Rotting by fungal and bacterial pathogens is often indicative of physical damage or physiological deterioration. There are so many production and marketing problems that challenge fruits and vegetables development in the district.

The nature of the perishable product production seasonality, lack of transport, storage, post-handling facilities and lack of organized market system have resulted in low and unstructured income. Key factors that should be considered carefully during the planning stage of the farming operation are: site selection, water supply and quality, crop and variety selection, and, market development. If the wrong decision is made with regard to anyone of these, the operation is doomed for failure. Problems of agricultural marketing in India includes too many intermediates, defective weight and scale, illiteracy and lack of unity, lack of storage, transportation facilities, lack of financial resources, lack of organized marketing system, lack of standardization, lack of awareness of market, distress sale and corruption.

Ethical issues in Un-organized markets are :

- **Un-ethical Product and Distribution Practices:** Un-ethical products are those goods and services which any stakeholder believes may damage the society as a whole. This may be the result of the firm operating in an inappropriate manner or because the actual output is potentially damaging its users and the ethical concerns in consumer goods retail and distribution can be divided into marketing, human resource management and accounting activities. Perhaps, there is a delay in in picking up and delivering goods, operational failures in the transport network, unplanned changes in the distribution routes and delivery failures.
- **Offensive and Objectionable Materials and Marketing Practices :** It means, sometimes some materials that is deemed to be objectionable or offensive, such materials are prohibited in publicly viewed areas. Offensive materials are those, which describes, expresses or otherwise deals with matters of unavoidable things.
- **False advertising:** False advertising happens when a company overstates or embellishes the benefits of its products and services. Sometimes, some advertisements are misleading the about the quality of products and services and this leads to wrong message to the public. Advertising in one of the best and common practices in Indian markets where it has to tell the truth and not misleading the customers. A relevant information has to be passed directly to the customer to gain good opinion from the customers.
- **Portraying hurtful stereotypes:** Advertiser uses stereotypes to provide familiarity to a viewer, but

pose the risk of generalizing and misrepresenting groups of people at large. It is an informal concept that refers to marketing campaigns based on common perception about the conduct and behavior and values of certain demographic groups.

- Misusing customer data: The customer data is misused when employees lack good data handling practices. When employees stolen the confidential customer data, then it means that, he is incapable in handling that work and product misuse is a valid offence against the liability also.
- Negative advertising : Marketing may create advertising that specially target one of their competitors to show how their products are better than others. Negative advertising relates to a products or services behavioral modification in negative reinforcement. But this could not be happen.
- Advertising misleading pricing: Misleading pricing means when a product is promoted in an unclear way, that may cause mislead about the true cost of the product. The objective of misleading the advertising and the product is to ensure the facts about the product and mislead the buyer through implications, omissions and false statements about the quality, quantity and other characteristics of the product or any other services accompanying the system.

Reasons Behind Ethical Issues of Marketing in India:

- Consumer Autonomy and Marketing Effectiveness
- Consumer Choice and Consumer Protection
- Consumer Satisfaction and Revenue Growth
- Customer Participation and Total System Efficiency
- Customer Welfare and Price Discrimination

General issues of Un-organized fruits and vegetable markets in Mysore District:

There is effective & excessive utilization of underground water for localized agriculture in many villages, where commercial crops are grown. It is in these agricultural fields' fresh fruits and vegetables are also grown either mixed crop or main crop. There are few tracks of agricultural land coming under canal irrigation in many places where fresh vegetables are grown. The markets for fresh fruits and vegetables are the nearby towns. Small growers directly sell the fresh fruits and vegetables to the consumers on Sunday in the nearby towns, whereas medium & large growers sell away the bulk quantity of fruits and vegetables to the agents sale of standing crop, sale rate nearby town in the un-organized Mandi Market are transporting to neighboring states & selling there in the Mandi Markets is commonly found. There are many regulated markets in nearby Mysore District where separate market for fresh vegetables also. The quantity of fresh fruits and vegetables bought & sold in the regulated market . The presence of brokers, in the Mandi Market and sale of fresh fruits and vegetables directly by the consumers to the small growers has not alleviated the problems of growers with regard to pricing, weighing, transportation & preservation of freshness.

Statement of the problem:

The unorganized nature of market for fresh fresh fruits and vegetables in the Mysore district is posing several problems to the farmers. Small holdings uneven cropping pattern, dependency on ever depleting ground water, scanty rainfall, use of improper cultivation method, absence of labourers of

required skill, improper infrastructure facilities, panic sales and absence of market intelligence system is noteworthy problems that the farmers in this district are facing. The efforts made by government and non-government agencies to support the cause of fresh fruits and vegetables growers have not successfully elevated. There cannot be any standardized scheme or solutions. The customized approaches made by horticulture department & Hopcomps Societies in addressing the problems of these problems are not properly utilized. In the middlemen are hearing these farmers to the possible extent by maneuvering the market elements.

Literature Review:

Sahus S, Gupta. M, Nirupama. S and Joseph M, (2008) in their article on “Impact of Organized retailing on the Unorganized Sector”, has analyzed the impact of organized retailing on different segments of the economy. The findings of the study are based on the farmers, intermediaries, manufacturers and organized retailers in addition they reviewed international experience has also been carried out as a part of the study.

Gupta Himanshu, Gupta Neetu Dubey and Patani Pawan (2012) in their article on “Effect of organized Retail on unorganized retail in Indian Retail market”, examine the nature of changes in the retail sector taking place due to organized form of retailing. The objective of the study is to understand the consumer behavior towards organized and unorganized retail stores. The study uses primary data; collected by a survey of retailers between Dec 2010 to May 2011. Sampling method chosen is simple random sampling which is type of probability sampling. The questionnaire was presented on 38 retailers & data was fed into SPSS Software. A finding of the study is that, unorganized retail is growing at a reasonable rate and will continue to do so for many years to come. Finally, they concluded that, India’s organized & unorganized retail sector can co-exist and flourish at large.

Dev Mahendra (2012) in his article on “Small Farmers in India”, Challenges & Opportunities”, examines the role & challenges of small holding agriculture in India. He has given a detailed explanation on the role, challenges & opportunities for small holding agriculture in India. Tables and charts are used to show the yield gaps are collected from secondary sources. Finally, gaps concluded that, India has been rights approach for several development programs and to maintain transparency. It is the responsibility of the citizens and NGO’s to organize campaigns for better functioning of the programs & public accountability is crucial for the success of rights approach.

Parashivam, Dastagiri, Rameshchand & others (2013), in their article on “Indian vegetables: production trends, marketing efficiency and export competitiveness”, discussed about the production trends, market efficiency and export competitiveness of vegetables in India and suggest measures. To improve production, marketing and exports of India vegetables. Their study suggest that, Indian government should give priority to vegetable production, processing and exports they have used tools like logistic model, rank correlation, Delphi technique, Shepherd formula for estimating marketing efficiencies. A finding of the study is that, area under total vegetables cultivation is grown effectively and automatically production growthrate was increased.

Chandrashekar H.M (2016) in his article “A Study on Organized Retail on Unorganized Retail outlets in Mysore city”, observed that, in India for a long time the corner grocery store was the only choice available to the consumers. An attempt is made for know the consumer buying behavior towards organized & unorganized retail outlets in Mysore city. He has collected data from primary as well as secondary sources. 148 respondents were selected by convenience sampling technique of probability random sampling. The major findings of the study is that, the unorganized retail outlets are facing problems such as consumer highly changing preference, towards organized infrastructure facilities, attractive offers, & other services.

Madanmohan, Pachayappan and Ganesh Kumar (2017), in their article on “Agri food supply chain management” discusses about the present critical review of agri-food supply chain management. They have also identified gaps to be explored about the agricultural supply chain management practices. All the details related to the topic are collected from on line data for the period of ten years. They have categorized the chain management into four groups & elaborated the research gap in the literature based on this topic. Finally, this article is concluded with the modification and simplifications about agri-food supply chain management.

Samuel. P, Venkatakumar and Manoj and Kareemulla (2017) in their article on “Analysis on agricultural sustainability in India” discussed about the challenges encountered by Indian agriculture are due to agro-climatic or social and economic dimensions. They have analysed the sustainability for two time periods. The method of estimation adapted by Hatai & Sen formula for the present study and this method is derived from HDI calculation approach of UNDP. Finally, they concluded that, the study was useful in assessing the status of Indian states in terms of ecological, economic, Social and agricultural sustainability in the developmental process.

Significance of the study :

The present study is of high significance as the theoretical contribution towards the cited problem is very much lesser. Moreover, the researchers could not find any specific study conducted to explore the concurrent problems plaguing the vegetable growers. With the literacy among rural folk increasing on one hand and educated youths migrating to urban areas on the other hand, there exists a knowledge society in the rural area. The middle aged farmers are not in a position to either venture into reformed agriculture or discontinue the agriculture. They are still experimenting with low or medium level technology in agriculture that to in an unsystematic manner. As such, the success in agriculture is still a myriad for this peasant. With reference to marketing of fresh vegetables by farmers, no specific study is undertaken in this district. The present study is needed to focus on this issue.

Major questions:

- Do the farmers of fresh fresh fruits and vegetables in Mysore District have access to proper market intelligent system?
- Is there any vibrant organized market for fresh fresh fruits and vegetable in Mysore District?
- Does the un-organized market for fresh fresh fruits and vegetables is effective to safeguards the interest of famers?

Objectives of the study:

- To study the nature of market for fresh fresh fruits and vegetables in Mysore District.
- To analyze the effectiveness of organized markets for fresh fresh fruits and vegetables
- To analyze the effectiveness of un-organized markets for fresh vegetables in Mysore District.

Scope of the study:

The present study is focused on only to Mysore District in Karnataka State in India.

Research methodology:

The present work is based only on secondary data. The secondary data is sourced from published records, journals, textbooks including websites.

Suggestions to improve the un-organized markets:

- Strengthen the system of Regulated markets by screening the present practices and doing away with unfair activities in weighing, measuring and acting in collusion with buyers.
- Open new Regulated Markets for vegetables and agricultural produce at leading Hobli head quarters.
- Regulate the activities of middlemen in the local markets through proper legal framework.
- Educate the farmers about usefulness of grading, packing, ware housing and use of market intelligence in cropping pattern and marketing.
- Farmers are advised to keep tab on the market fluctuations obtainable from mass media and effectively use it for their prospects.
- Farmers are advised not to resort to panic sales when markets beam signals of price crash, Instead, they can wait for few days or carry the vegetables to distant markets or think of availing cold storage facility to be provided by Government of Private agencies.

Conclusion:

To sum up, the study on the topic “Ethical issues in Un-organized Markets for fresh fruits and vegetables in Mysore District” has given a clear insight into the issues relating to problems prevalent in un-organized markets besides exploring limitations in organized markets also. It has thrown light on absence of proper market intelligence system made accessible to farmers. The markets in India is largely unorganized and predominantly consists of small, independent, and owner managed shops. India is the country in which large number of people are engaged in the agriculture for their livelihood. The sellers of fruits and vegetables are trying to compete and improve their sales by giving better quality of items, and capitalising on their long term relationships with the customers. It is visible that un-organized retailers are making efforts to compete with organized retailers by reaching out to the customers residing around their store and improving their service quality. In unorganized markets, majority of the sellers are least affected by organized retailing. In India, organized and un-organized markets will exist and survive together. They have their targeted customer base and segment groups. . Based on the secondary study, is shows that un-organized markets are acting as bane to the farmers of fresh fruits and vegetables in Mysore District.

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