

# Marketing of horticultural products in Muzaffarpur district of Bihar

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**Abstract** - Bihar is mainly an agricultural state with a large proportion of the population deriving their livelihoods from agriculture directly or indirectly. As the yields from agriculture tended to stagnate, a move towards diversification in agriculture through activities like horticulture, pisciculture, apiculture, dairy farming etc became necessary. Over the last few years, Bihar has emerged as a leader in horticultural farming. Muzaffarpur has emerged as the hub of horticultural production. The article examines the issues pertaining to marketing of horticultural products in Muzaffarpur district using primary as well as secondary data.

**Keywords** - Bihar, farm income, Horticulture, intermediaries, marketing

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## INTRODUCTION

Marketing is an important economic activity essential in completing the full process of production to consumption through creating ample situations of exchange. When products reach the final or intended consumer only the can the process of production be regarded as successfully completed. It is important to keep in mind here that this exchange should necessarily led to income generation for the producer. The apt term for this activity is marketing. Marketing is necessary for all kinds of goods whether manufacturing goods or agricultural products. The process of marketing involves a number of intermediate steps such as collection, storage, transport, packaging, processing etc. Clearly, the introduction of each of these intermediate steps implies some kind of work done an acting agency like labourer or firm or service provider. Every one of these steps leads to some kind of value addition to the final product. As these agencies have to be paid for their services, it adds to the final cost of the product. In other words, any activity that helps in the formation of utility through value addition in terms of time, place, possession or form, becomes a part of marketing (Acharya and Agarwal, 2004).

Horticultural marketing relates to the particulars of marketing in context of horticultural products such as fruits, vegetables, flowers, nuts, spices and plantation crops like coco nut, cashew nut and cocoa. Horticulture has been a growing branch of agriculture in the country over last few years. From 2007-08 to 2012-13, horticultural production increased by 30% in the country. In 2012-13 the total

production of fruits was 81.2 million tonnes and of vegetables was 162 million tonnes. The contribution to world production of fruits and vegetables was 12.6% and 14% respectively bringing India to second position in the world in horticultural production in the world (Statistical Year Book). As pointed out by Sharangi (2015) India has emerged as the world's largest producer of spices, coconut and tea and second largest producer and exporter of tea, coffee and cashew. India is able to produce a large variety of fruits and vegetables due to its varied climatic regions, topography and availability of water resource.

Bihar is an agricultural state with majority of its population being directly or indirectly involved with agriculture. Horticultural production has been encouraged in the state along with pisciculture and dairy farming in order to develop alternate sources of income generation for the farmers.

Muzaffarpur district of Bihar is an important district famous for fruit production. Since most farmers of the district have taken up horticulture production apart from pursuing traditional agricultural production, it is pertinent to analyse the marketing process of horticultural products in the district. Since horticulture production entails a different set of problems such as short shelf life, requirement of specific environmental factors like temperature and moisture; the marketing of horticultural products becomes challenging. This paper analyses the issue of marketing of horticultural products focusing

attention to a single district ( Muzaffarpur) in the state of Bihar.

The process of marketing entails certain prerequisites that are now being defined. We can define market as the system where goods produced using scarce resources are allocated through the action of price mechanism. For the present discussion, these produced goods are the horticultural products. An economic agreement between buyers and sellers to for mutual transfer of goods and services for money gaining sanctity due legal contracts whether written or oral. The concept of economic market is not constrained by space and time, implying that trade can take place across distant locations. The physical or actual place where produce is exchanged is defined as market site.

The next important thing to consider is the presence of stakeholders who make exchange possible. This includes various intermediaries who facilitate transactions between the producer/farmer and final consumer. The presence of such intermediaries is expected to have some influence on the price paid by the buyers as well as the income earned by the farmers or horticulturists. Since the farmer is not in a position to reach out to all consumers due to time, space and information constraints, it creates the possibility of emergence of traders at the village level, wholesalers in the wholesale market, brokers and retail sellers who form the final link dealing directly with consumers.

## METHODOLOGY

The analysis is based on a sample survey carried out in Muzaffarpur district where respondents were required to supply answers to a questionnaire provided by the researcher. The responses were then collated to discern the pattern of market as prevalent in the district.

## ANALYSIS

To analyse the status of horticultural marketing in Muzaffarpur district, a survey was conducted in Marwan and Mussahari blocks of the district. Where farmers, traders and gaddidaars were interviewed. First and foremost, interaction with the farmers and traders clarified that horticultural produce was sold in the district as well as supplied to other towns and cities in the state. Also a large portion of fruit production was being transported for sale in other parts of the country like Delhi, Maharashtra, West Bengal, Uttar Pradesh etc. Some was also being exported. Thus the market for horticultural products in Muzaffarpur district extended from local to national to international level.

It was observed that most of the farmers were marginal farmers having very small plots of land. Vegetable growing was more of an expedient way of meeting the needs for nutrition and the surplus was

being sold in the market. However, cultivation of fruit mainly litchi, mango and banana was taken up with economic considerations in mind. These farmers generally brought their produce for sale in Mandis after harvesting.

Market site for most producers meant the wholesale mandi closest to the individual producer. However, some producers entered into contracts with Pre-harvest contractors, mainly in case of mango and litchi orchards. These contractors would bring their own men for harvesting and collecting of fruit at the opportune time directly to the orchard. Some of the traders prefer to buy directly from the farmers. In this way they are able to control the quantity and quality of product by stressing on organic production in some cases. As pointed out by one respondent this was also to the farmers as they got better price than what they would get in the Mandi where there are a much larger number of sellers.

Economic Market showed diversity in Muzaffarpur. While part of the produce was sold in the local market, a large portion of vegetables were supplied to cities and urban areas of Bihar, expanding the size of economic market. Further many fruits and some vegetables were also supplied to different metropolitan cities of the country. Fruit like GI tagged litchi is also exported globally. Thus there is existence of varied market for horticultural products in Muzaffarpur.

The dominant intermediaries working in agricultural marketing system in Bihar are the village level traders who were the first buyers of horticultural produce. Some traders expanded their area to a number of villages and were generally called *vyaparis* while small scales traders were called *sahukars*. Then there were the mandi level commission agents called *gaddidaars* who functioned in fixed locations called mandis. These *gaddidaars* enabled market transactions and charged commission either from both the seller and the buyer or just from the buyer for their services. Another intermediary noticed in the marketing chain were the brokers or *Dalals* who brokered exchange between big sellers and buyers like trading firms and food processing units.

Clearly the introduction of different types of middlemen in the marketing scene led to high degree of price-spread. When farmer was selling directly to final consumer they were able to get good price for their produce. But as the number of intermediaries increased the actually earning of farmer remained very low compared to the price paid by the consumer.

Responding farmers pointed out that lack of proper storage facility prevents them from storing the produce in order to get a higher price during off-season. The problem of connectivity and transport

prevents farmers from taking produce to markets where they can get higher price.

Responding traders felt that the lack of adequate storage facility, processing and packaging of product as well as transportation were major issues of concern for them. They also complained about the difficulty of getting compliance certification for their business. The respondents also complained about the lack of testing and grading facilities in the state, saying that this involved extra cost for them

## CONCLUSION

The study was conducted in Marwan and Musahari blocks of Muzaffarpur district as they are important for horticulture production. The district has a number of food-processing units which utilise the fruits and vegetables grown in the area. It also has a number of trading units involved in marketing of locally grown fruits to different parts of the country and also in export of fruits and fruit preparations to different countries across the globe. The survey brought to light that the process of horticultural marketing in Muzaffarpur has a number of stakeholders. Fruit and vegetable marketing involves the interaction of farmers, village level traders, Pre-harvest contractors, wholesalers, retailers, individual consumers and food processing units. The highly perishable nature, seasonality and bulkiness make marketing of horticultural crops more complex than cereals and pulses. Special care and immediate disposal/access to market is therefore, necessary. The product output of farms has increased with technological development and as a result, marketable and marketed surplus has increased manifold. To continue with this increased rate of increased production, farmers must be assured of good remuneration and this assurance can be realized only through developing an efficient marketing system (Acharya & Agarwal, 2001). The cultivation of horticultural crops has been gaining popularity due to its labour-intensive nature. It has the capacity of generating lot of employment opportunities in the rural areas.

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