



DISTRIBUTION PATTERN OF APPLES IN INDIAN SUB CONTINENT: CONSTRAINTS AND STRATEGIES

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ABSTRACT

The study was conducted to comprehend the existing marketing system of apples, trend of arrival of apples, distribution system of apples and the problem faced by the market functionaries in the largest fruit and vegetable market of India i.e. Azadpur fruit and vegetable market, Delhi - which handles about 70 percent of India's domestic apples. A descriptive study was under taken for this purpose, different kinds of market functionaries, commission agents/wholesalers, mashakhors, and ladanies were interviewed. The finding of the study revealed that majority of commission agents get apples through farmers directly and pay them money three or four months before the season of apple in advances. Credit sale is common in this market. ladanies export fruits and vegetable to other markets out side Delhi. Mashakhors work as sub wholesalers in the market. Harvesting of apples start from the month of June in Uttaranchal, July in Shimla and from August in Jammu & Kashmir. Arrivals of apples remain high during august to October months. Farmers are facing the problem of high cost of packing materials, high cost and non-availability of transportation facility, poor connectivity of farm to main road, problem of storage, and malpractices by market functionaries and lack of market intelligence. Government has to take initiatives to improve the infrastructure, conduct capacity-building programmes and finally facilitate the availability of market information and good quality packaging material. Auctioning should also be conducted in transparent manner. Market functionaries are facing the problems of poor grading of apples, breach of contract from farmer's side, problem of credit recovery, bad debt etc. in the market. Defaulters in the markets should be identified and black listed. Company has started backward integration for forward integration; they can enter in this market by making the fruits commission agents, their apple distributor in market. Special emphasis should be given on promotional activities.

KEYWORDS: Apples, Marketing, Distribution Channels.

INTRODUCTION

India produces all deciduous fruits including pome fruits (apple and pear) and stone fruits (peach, plum, apricot and cherry) in considerable quantity. These are mainly grown in the North-Western Indian States of Jammu and Kashmir (J&K), Himachal Pradesh (H.P.) and in Uttaranchal. The North-Eastern Hills region, comprising of the States of Arunachal Pradesh, Nagaland, Meghalaya, Manipur and Sikkim also grows some of the deciduous fruits on a limited scale. Out of all the deciduous fruits, apple is the most important in terms of production and extent. Apple was introduced into the country by the British in the Kullu Valley of the Himalayan State of H.P. as far back as 1865, while the colored 'Delicious' cultivars of apple were introduced to Shimla hills of the same State in 1917. The apple cultivar 'Ambri', is considered indigenous to Kashmir and had been grown long before Western introductions. Over 700 cultivars of apple, introduced from USA, Russia, U.K., Canada, Germany, Israel, Netherlands, Australia, Switzerland, Italy and Denmark have been tried and tested during the last 50 years. The delicious group of cultivars predominates the apple market. The areas covered under delicious cultivars are: 83 percent of the area under apple in H.P., 45 percent in J&K and 30 percent in Uttaranchal. In

more recent times, improved spur types and standard color mutants with 20-50 percent higher yield potential are favoured. The important selections are; In H.P. monoculture of a few cultivars such as Royal Delicious, Red Delicious and Richared have started showing negative impact on the apple industry. Serious problems like apple scab disease and outbreak of premature leaf fall and infestation of red spider mite are causing great concern. Uttaranchal, particularly the Kumaon hills division, have the unique advantage of early harvest of apple, mainly due to cultivation of early maturing varieties like Early Shanburry, Fanny and Benoni. The early maturing varieties are harvested 2-3 weeks before the arrival of fresh apple from H.P. and J&K, and hence fetch very remunerative prices. Strong economic growth is projected to lead to continued expansion of Indian apple demand, but the high cost of domestic and imported apples compared with other Indian fruit is likely to limit consumption to higher-income consumers. U.S. apples have accounted for the largest share of Indian imports, but face increasing competition from high-quality and low-cost Chinese apples. Although India has a high (50-percent) tariff on imported apples, internal marketing margins— or returns to traders over and above measured costs—account for a significantly larger share of consumer apple prices than do import prices,

tariffs, or marketing costs. As a result, increased investment and competition in the domestic supply chain is likely to be particularly effective in boosting apple demand and imports. After achieving self-sufficiency in the production of food grains, the Government of India laid special emphasis on the production of horticultural crops. India is endowed with varied agro-climates, different soil types and natural resources, which confers a competitive edge in production and making the produce available for export over an extended period. Horticulture produce contributes to 29.5 per cent of our agricultural GDP from 8.5 per cent area and 10 per cent of the total agriculture export earnings. India is the second largest producer of fruits in the world with an annual production of 47.5 million tonnes from an area of 4.0 million hectares and contributes to more than 10 per cent of world fruit production. In spite of this the exported quantity as a percentage of production is a very less. In vegetables production, India is next only to China with an annual production of 87.53 million tonnes from 5.86 million hectares having a share of 14.4 per cent to the world production. Per capital consumption has also increased from 95 gram to 175 gram per day. Immense agro-climatic diversity enables India to grow a large variety of horticulture crops which include fruits, vegetables, flowers, spices and plantation crops. The country holds the first position in global production of bananas, mangoes, coconut and cashew and is amongst the first ten in citrus, pineapple and apple production. India holds first position in global production of cauliflower and is amongst top ten in production of potato, tomato, onion and green peas.

The present marketing system, characterized by a long, fragmented supply chain, lack of cool chain, high wastages, low share of producers in price, is inadequately equipped to meet the growing needs of consumers for quality and safe/hygienic food. This small market share can be attributed largely due to weak post-harvest infrastructure, inadequate extension support to the farmer, quality and hygiene control mechanisms. Therefore, regulated markets were established to improve the marketing efficiency. The system of sale

followed in these markets indicated that open auction as a system of sale is yet to take roots in these markets and the marketing system was dominated by open auction or secret bidding resulting to significant erosion of marketing efficiency.

OBJECTIVES

- To study the existing marketing system of apples in Azadpur fruits and vegetable market.
- To study the problem faced by market functionaries in Azadpur fruits and vegetable market.

MATERIALS AND METHODS

Descriptive research design was undertaken for the study considering the scope and nature of study. Data related to this study was collected from written sources (Information related to arrival of apples, market functionaries operating in the market and other marketing system prevailing in Azadpur market was collected from APMC office, books, journals, magazines, internet and company database for latest up dates. The primary data related to this study was collected through Azadpur fruits and vegetable market of Delhi, which handles about 70 percent of India's domestic apples. The market functionaries dealing in apples were interviewed as well as commission agent's procurement system. The sampling procedure is of non-probabilistic nature, done with a combination of both judgment and purposive convenient sampling methods to carry out the study. Convenient sampling was used to select the commission agents/wholesalers, ladani and mashakhors. The data constituted of Market Functionaries and Informal interviews and focus group discussions were held with APMC officials, farmers and the wholesalers Surveyed in Azadpur Market was collected through structured questionnaire and observations were made regarding the distribution, supply and its impact.

Collected data was validated, coded, tabulated and with the help of analytical tools like Simple Arithmetic Averages, Percentages and Graphs using MS Excel, it was analyzed.

Traders	Commodity	Sample number
Commission Agents	Apple	25
Importers	Apple	6
Mashakhors	Fruits	9
Ladanies	Fruits	7

RESULTS AND DISCUSSION

Azadpur fruit and vegetable market of Delhi was selected to conduct the study - which handles about 70 percent of India's domestic apples. In Azadpur market, there are three kinds of mandi functionaries namely commission agents, mashakhors and Ladanies. There are around 2000 commission agents. Apple commission agents have three apple merchant associations. There are 4 blocks of shops A, B, C and D. C and B blocks are mainly occupied by fruits commission agents. Vegetable commission agents mainly present in A and D blocks.

Marketing System of Apples in Azadpur Fruit and Vegetable Market

Entry System of Vehicle into Market

There is an entry and an exit, which are manned day and night. Gate-passes are issued to any vehicle, full or empty, that enters the market, for a certain amount of money. A gate-pass contains information about the amount and type of produce being brought in and the name or names of the commission agents with whom the owner of the vehicle would deal. At the exit, the gate-pass and the receipts of transactions conducted by the owner of the vehicle are checked. This is to ensure that the marketing committee knows about the amount of transactions conducted in the market. Gate pass is given to the transporter at the gate where transporter gives the details of commission agent to which produce is to be taken. In normal cases, it is Rs. 10 for truck, Rs. 5 for tempo and for rickshaw; it is Rs. 2 per trip.

Prior to entering into market truck driver must know the name of commission agent along with shop number and license number. APMC officials record the total sale upon which they charge the market fee after cross checking it with the record of respective commission agent.

Different Market Functionaries involve in Apple Trade and Their Roles

Before reaching to the consumers, the produce passes through number of intermediaries in the market. There are three kinds of market intermediaries involving in marketing of apple in the market yards.

1. Commission agents
2. Ladanies
3. Mashakhors

Commission agents

Fruits Commission Agents wholesale the produce of grower in market. Growers have an option of selling at the prevailing market price or paying for storage in the hope of getting a higher price at later time. When the produce is sold, all marketing costs, including transport, handling, and storage costs and the agent's commission are deducted and a net price is paid to the grower. When apple reach to commission agents they wholesale the apples of grower by conducting auctioning in market. Auctioning may be open or under cover. They charge 3-7 percent commission for this from farmers. Commission agents also charge one percent commission from buyers and deposit it as market fee with APMC.

Ladanies

Ladanies are also important market functionary and may work as a beejak or vikrak. When they work as a beejak, they export the fruits and vegetables to the buyers of other markets out side Delhi on their demand and charge 3 percent commission from them on the value of produce they send to them. However, when they work as vikrak they send their own produce to the wholesalers of other market out side Delhi, to sell the produce on behalf of him. The wholesalers charge commission from Ladanies in between the range of 3-5 percent. Ladanies also export the fruits and vegetables on credit basis to wholesalers in other state's mandis. They generally buy commodities from commission agents and do not keep inventories with them in cold storage for off-season.

Mashakhors

Mashakhors are other market functionaries who work as sub wholesalers in the market. They buy fruits and vegetable

from commission agents and wholesale these fruits and vegetables to retailers. They charge different margin on these fruits and vegetables depending on the demand and supply of that particular commodity in the market. They generally try to get 30-50 rupees per box of apple in off-season and 20-35 rupees in season. They also sell on cash and credit basis. Retailers can directly buy the commodity from wholesalers or they can buy from mashakhors. Ladanies send commodities to other markets wholesalers and retailers. Through this way, fruits and vegetable reach to the consumers. Farmers send their produce to the commission agents than the produce passes through them to mashakhors and than to retailers and finally to consumers. Some companies also buy fruits and vegetable from commission agents for processing purpose.

A) Marketing System for Indian Apples

Method of Deciding Wholesale Price of Fruits and Vegetable:

Wholesale markets play a key role in the determination of both domestic and imported apple prices. Under the provisions of the Agricultural Produce Marketing Acts in place in most States, all agricultural produce must be sold in markets built and regulated by the government. Markets are managed by local Agricultural Produce Marketing Committees in accordance with central, State, and local government regulations. Prices are generally determined in these markets by auction. Auctions are often not conducted in a transparent manner and are prone to manipulation due to secret bidding practices. One common practice observed in apple trading at Azadpur, Delhi is for two parties to negotiate price by holding hands under a cloth, signaling bid-ask quotes through finger movements. Although the Azadpur market reports volumes sold and average prices at the end of each day based on information supplied by the traders, the actual transaction prices are known only to the buyer and seller. By this system, they can avoid the defaulter but lacuna of this system is that grower is also unaware of price of there produce at which commission agent is selling. Commission agents charge 3-7 percent commission from the farmers for selling their produce and charge 1 percent commission from buyers. Commission agents also kept inventories in cold storage for off-season. They pay advances to growers two-three month before the fruits season. Commission agents' sell fruits on cash and credit basis to buyer. Table 5.1 Expenses born by the market functionaries in the marketing of apples in the market before delivering the apples to consumers.

Table 5.1: Marketing Cost of Apple Borne by the Market Functionaries

S. No.	Item	Marketing cost (Rs./Boxes)
1	<i>Mashakhors Expenses</i>	
2	Mandi to mashakhors	2
3	Re-grading and Packing	3
4	<i>Retailer's Expenses</i>	
5	Carriage and handling	8-10
6	Losses @ 7 percent	Purchase Price
7	<i>Ladanies Expenses</i>	
8	Re-grading and packing	3
9	Carriage and handling	As per distance

When apple arrive in Azadpur market it passes through number of market functionaries and at every step some cost incurred by them. Auctioning of apple is conducted in the morning hours by commission agents. It may be open auction or may be under cover auction. Buyers participate in auctioning and commission agents show the sample of the apples and declare a price of that lot then they ask the prices offered by buyers for that lot. The buyers who quote the higher price get that lot of apples. Commission agent charge 3-7 percent commission from farmers and one percent commission from the buyer. Ladanies also buy from

commission agents and after re-grading and packing, they send those apples to other cities. Mashakhors also buy apples from commission agents and after that they sold those apples to local retailers in small lots. They also perform the function of re-grading and packing. They also charge variable margin on apple boxes depending on the condition of demand and supply. The apple-marketing channel is shown below in the Exhibit 5.1. This Exhibit show how the apple passes through different channel before reaching to the final consumers.

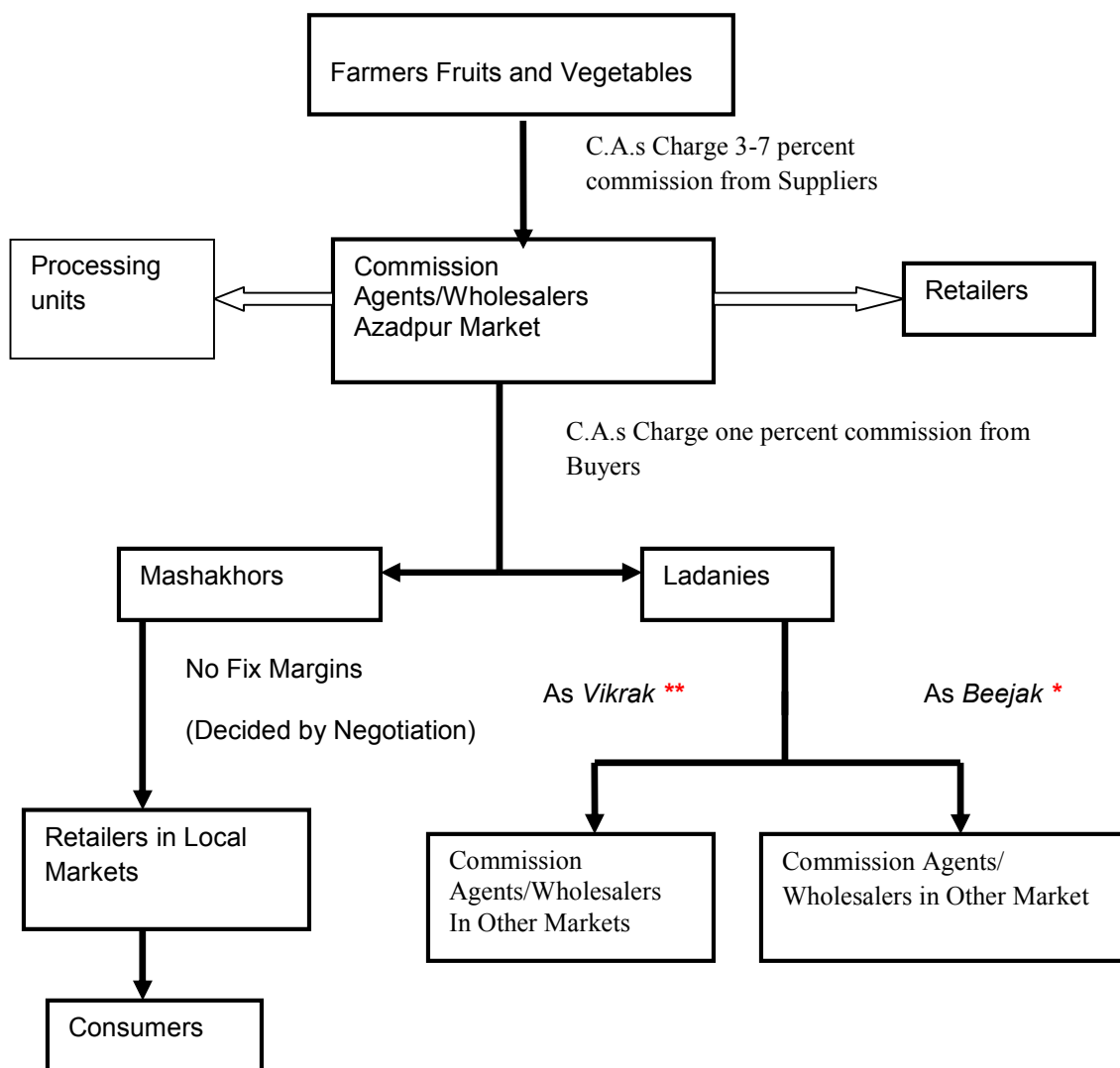


Exhibit 5.1: Marketing Channels of Apple in Azadpur Market

* Ladani charge 3 -5 percent commission from Wholesalers/C.A.

** Ladani pay 3-5 percent commission to Wholesaler/C.A.

Modes of Payment

Commission agents pay advances to the farmer three- four months before the season of apples. Either farmers come to him, contact him or his procurement person contacted the farmers and estimate the crop going to produce in that season. Commission agent's pay the advances to farmers

based on this estimation to ensure the sell of their apples through him only. Commission agents pay the amounts to farmers in four- five installments. Commission agents deduct the expenses of carriage and handling of produce in market from farmers amounts. They also get charges of storage from farmers if farmers want to store the produce for

later selling. On an average 80 percent sale of apples by commission agents occur on credit. On an average commission agents offer the credit period of 30 days to buyers. Average advances paid by commission agents were 86 lacs. Commission agent's 68 percent sale of apples goes to Ladanies. Ladanies also send apples to wholesalers on

credit basis. Average credit period given by Ladanies was 30 days. Mashakhors also sell on cash and credit basis. On an average 40 percent sale of apples by mashakhors was on credit. Commission agents were selling apple on both cash and credit basis. Cash sell pattern of commission agents are shown in Exhibit 5.2.

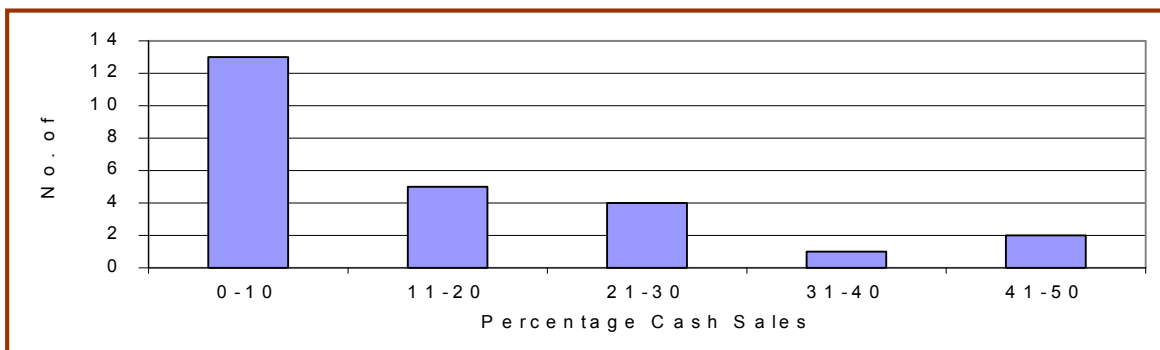


Exhibit 5.2: Cash Sale Pattern of Different Commission Agents

It is clear from the above graph that out of 25 commission agents, 13 commission agents were selling their fruits on less than 10 percent cash basis, five commission agents were selling their fruits in between 11 to 20 percent cash basis,

four commission agents were selling their fruits in between 21 to 30 percent cash basis. Only three commission agents were selling their fruits on more than 30 percent on cash. Credit sale in this trade is very common and the credit sales of the Commission agents are depicted in the Exhibit 5.3.

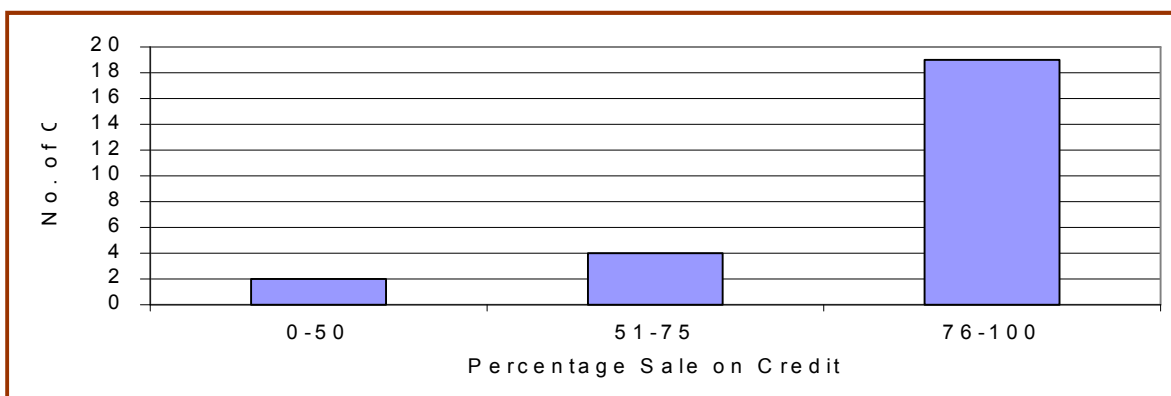


Exhibit 5.3: Credit Sale Pattern of Different Commission Agents

Study revealed that out of 25 commission agents 76 percent commission agents were selling their fruits on credit in

between the range of 76 to 100 percent. Apple sale of commission agents are more in season as compare to off-season sale. Exhibit 5.4 depicts the sale of apples by the commission agents in the season.

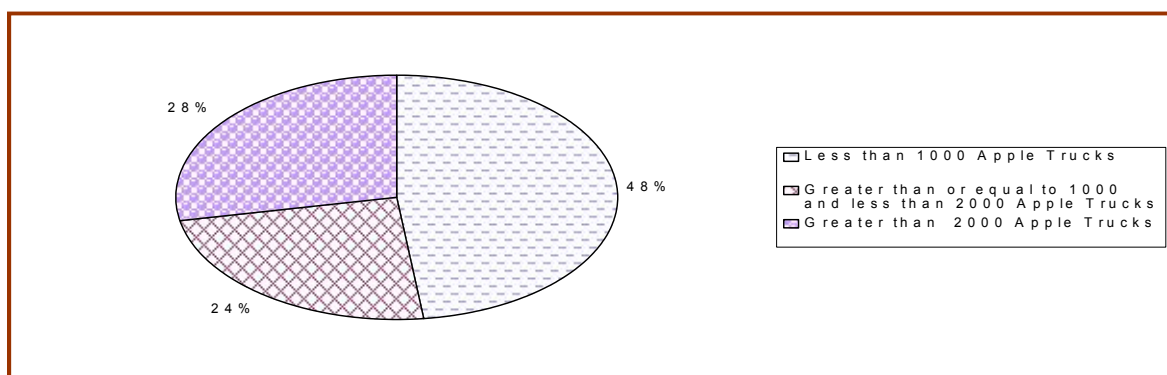


Exhibit 5.4: Apples Sold by Commission Agents in Season (Truck Loads)

It is clear from the graph that 48 percent commission agents were usually selling less than 1000 apple trucks during the season and 24 percent commission agents were selling equal to or greater than 1000 but less than 2000 apple trucks in the season. While 28 percent commission agents were those who were selling at least 2000 apple trucks in the season. Commission agents store apples in cold storage for off-season sale. Commission agents sell the cold storage apples

in off-season; they store apples in cold storage on the saying of growers. They take the charge of this from growers. Some time commission agents store apples on their own risk. They pay the current price of the produce to grower and store the apples in cold storage. They sell these apples in the off-season when the prices of apple generally found higher than the seasonal prices. Information regarding the sale of apples by the commission agents in the off-season was collected and is depict in Exhibit 5.5.

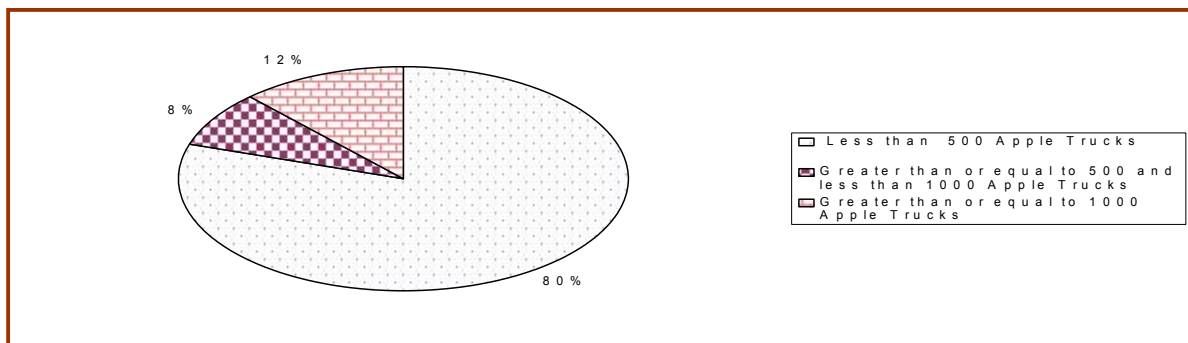


Exhibit 5.5: Apples Sold by Commission Agents in Off-Season (Truck Loads)

It was found that out of 25 commission agents, 80 percent commission agents were selling less than 500 trucks of apples in off-season. While eight percent commission agents were selling greater than or equal to 500 and less than 1000 trucks of apples in off- season. Only 12 percent commission

agents were selling at least 1000 apple trucks in off-season. Some commission agents sell apples only in the season and during off-season of apple either they start trading other seasonal fruits or they only recover the money from market. Annual apple sale of commission agents is depicted in the Exhibit 5.6

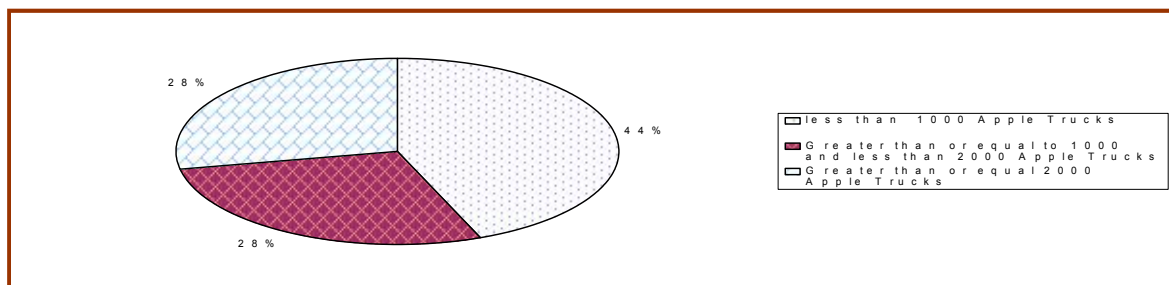


Exhibit 5.6: Apples Sold by Commission Agents in a Year (Truck Loads)

IT was found that 44 percent commission agents were selling less than 1000 trucks of apples, 28 percent commission agents were selling more than or equal to 1000 but less than 2000 trucks of apple in off-season. At the same time 28 percent, commission agents were selling at least

2000 trucks of apples during off-season in Azadpur market. Average apple sale of the Commission agents' is depicted in the Exhibit 5.7. In the off-seasonal average apple sale of by commission agents reduce to 18-20 percent that of seasonal sale. Reason for this is non-availability of apples to sale in off season.

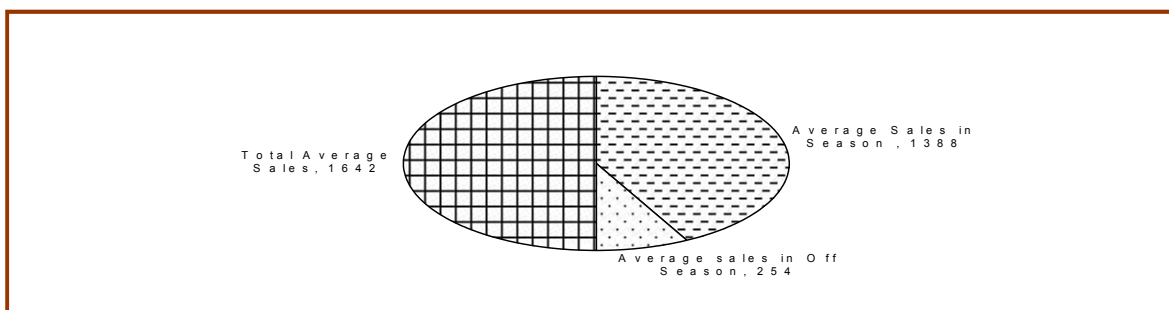


Exhibit 5.7: Average Apple Sold by Commission Agents (Truck loads)

It is clear that the average apple sale of commission agents was 1388 trucks of apples in season and 254 trucks of apples in off-season. While in a year, average sale of apples trucks

by commission agents was 1642 apple trucks. Mashakhors work as sub wholesaler in the market they buy apples in bulk from commission agents and sell in small lots to retailers. Apple sale of mashakhors is depicted in Exhibit 5.8.

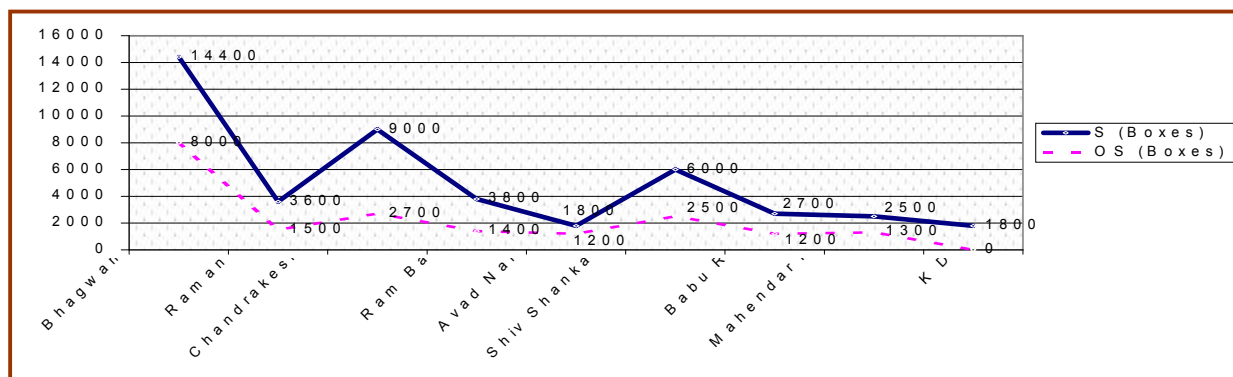


Exhibit 5.8: Apple Sold by Mashakhors (Boxes)

It can be infer from the graph that 5 out of 9 mashakhors dealing in apple were selling at least 3500 boxes of apple in season and 7 out of 9 mashakhors were selling at least 1200

apple boxes in off-season. There is no fix margin of mashakhors, they charge margin on the daily demand and supply basis. Annual apple sale of mashakhors is depicted in Exhibit 5.9.

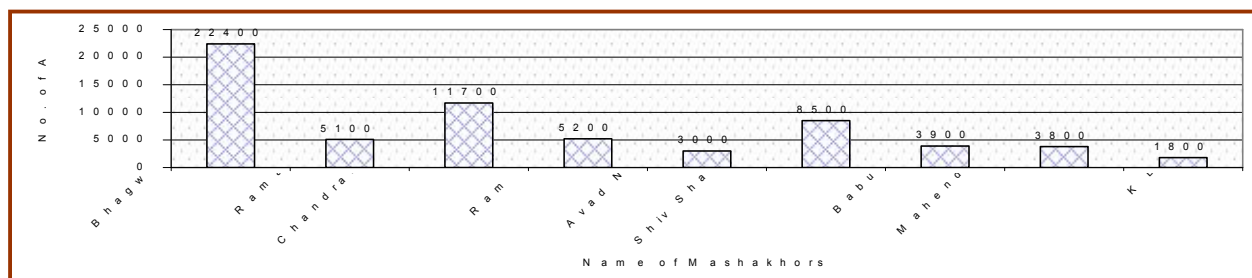


Exhibit 5.9: Annual Apple Sold by Mashakhors (Boxes)

It is clear from the above graph that five mashakhors were selling at least 5000 apple boxes in a year. Average apple sale of mashakhors reduce to 40 percent in the off- season

because many mashakhors start dealing in other fruits during off- season. Average apple sale of mashakhors is depicted in Exhibit 5.10.

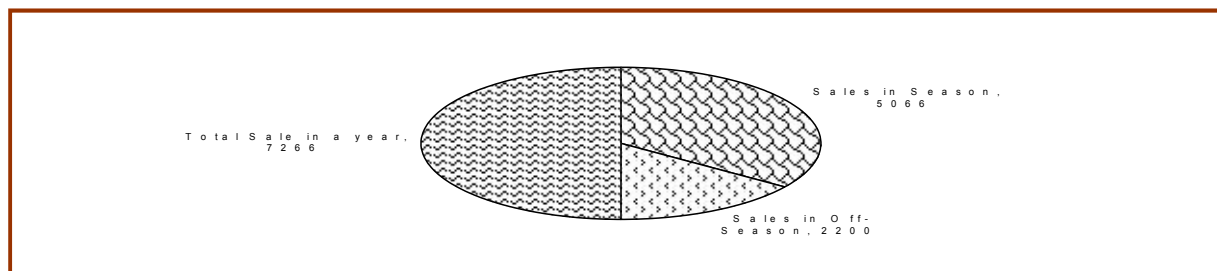


Exhibit 5.10: Average Apple Sold by Mashakhors (Boxes)

It is clear from the graph that on an average mashakhors were selling 5066 apple boxes in season, 2200 apple boxes in off-season, and 7266 apple boxes in a year. Average credit sale of apple by mashakhors was 38 percent. Average credit sale was 62 percent. Mashakhors average sale to big retailers was 17 percent and to small retailers was 83 percents.

B) Marketing System of Imported Apples

Some commission agents were also dealing in imported fruits in Azadpur mandi. Some were directly imported fruits from other countries and some were importing fruits from importer operating in different cities of India. They charge margin based on market demand and supply basis. Generally, they add all the expenses incurred in receiving the fruits at their place and add some margin in it. Commission agents were getting the margin of Rs. 80-100 per box of apple. Mashakhors were getting Rs.75-120 per

Distribution pattern of apples in Indian sub continent: constraints and strategies

box of apple. Retailers were adding a margin of Rs. 150-220 per box of apple. Sale of imported fruits starts increasing December onwards when the Indian apples arrivals start decreasing. In the month of April, May and June imported

apple sale increase many fold that of sale in July and August month. Imported fruits sellers number was less in the market. Only 3-4 commission agents were working as wholesaler of imported fruits.

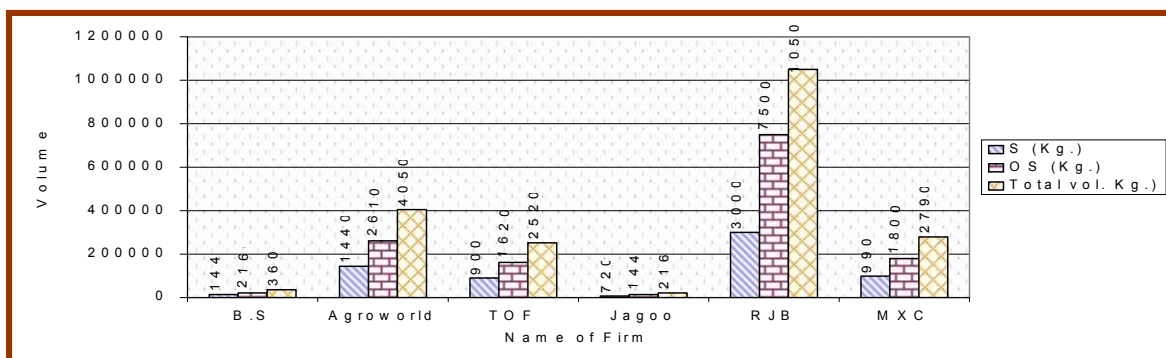


Exhibit 5.11: Imported Fruits Seller's Sale of imported Apple (Kg.)

It is clear from the graph that RJB and Agroworld who were working, as wholesalers were selling 1050000 Kg. and 405000 Kg. of apples respectively. It is also clear that M X C and TOF who were working as Mashakhors were selling

279000 Kg. and 252000 Kg. of apples respectively in Azadpur market. Commission agents were selling major portion of their sale of imported apples to mashakhors and retailers were buying imported apples from mashakhors. Different buyers covered by them are shown in the Exhibit 5.12.

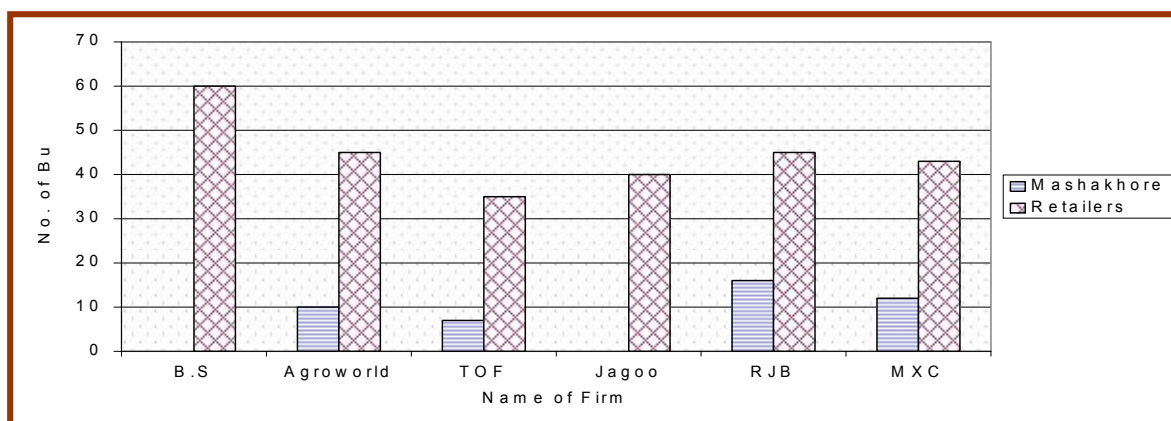


Exhibit 5.12: Different Buyers Covered by Imported Fruits Sellers

It is clear from the Exhibit 5.12 that at least 30 retailers were dealing with all the sellers of imported fruits. It can also infer from graph that at least 10 mashakhors were dealing with three sellers of imported fruits. Out of six sellers of

imported fruits, four sellers were dealing with mashakhors. Mashakhors were taking the imported apple from local commission agents and after adding some margin, they were selling those apples in the market. Percentage sale of imported apples to different buyers is depicted in Exhibit 5.13.

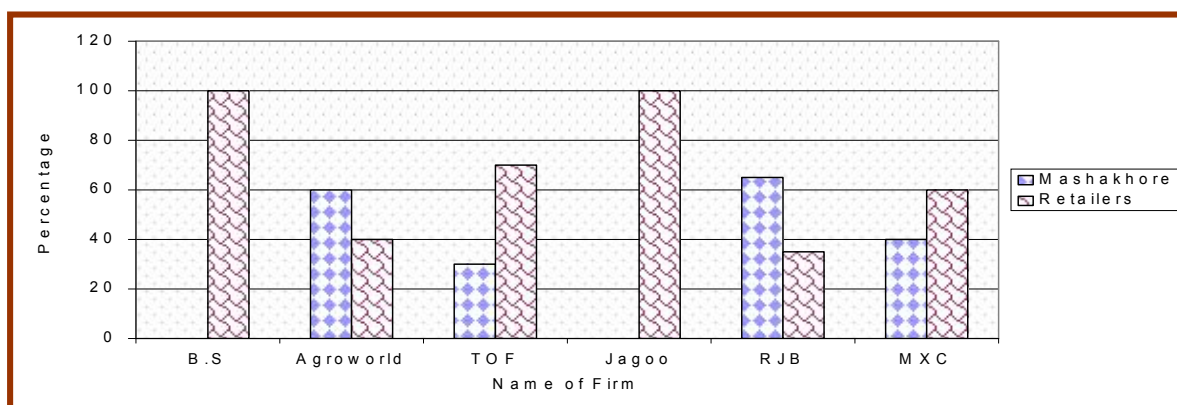


Exhibit 5.13: Percentage Sale of Imported Apples to Different Buyers

It can be infer from the graph that two sellers were selling 100 percent of their imported fruits to retailers. Agroworld

and RJB were selling 60 percent of total sale of imported apples to mashakhors. TOF and MXC were selling at least 30 percent of total imported apples to mashakhors.

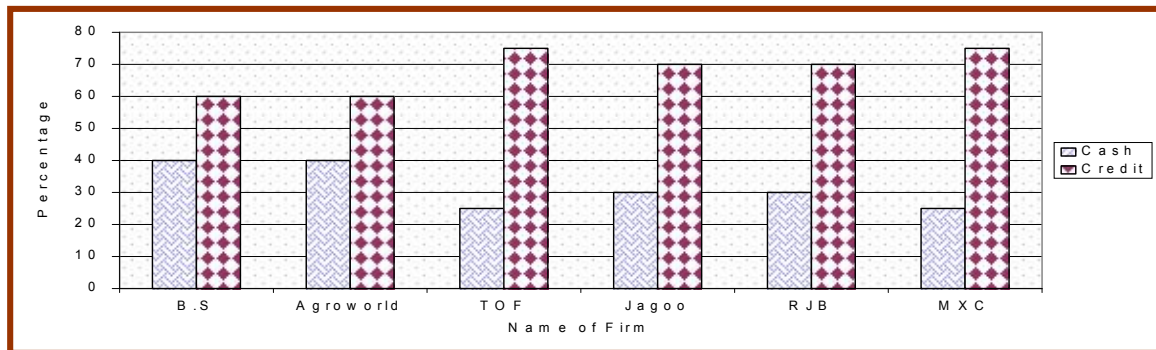


Exhibit 5.14: Cash/Credit Sale pattern of Imported Apples

Credit sale in case of imported fruits is also common. Percentage cash/credit sale of traders is depicted in the above Exhibit 5.14 and it is clear from the graph that all the six sellers of imported apples sell at least 60 percent of total

sale on credit. During the study, it was found that seller's credit on buyers was a common phenomenon, because buyers purchase apples from sellers on both cash and credit basis. Imported fruits seller's credit on buyers is depicted in Exhibit 5.15.

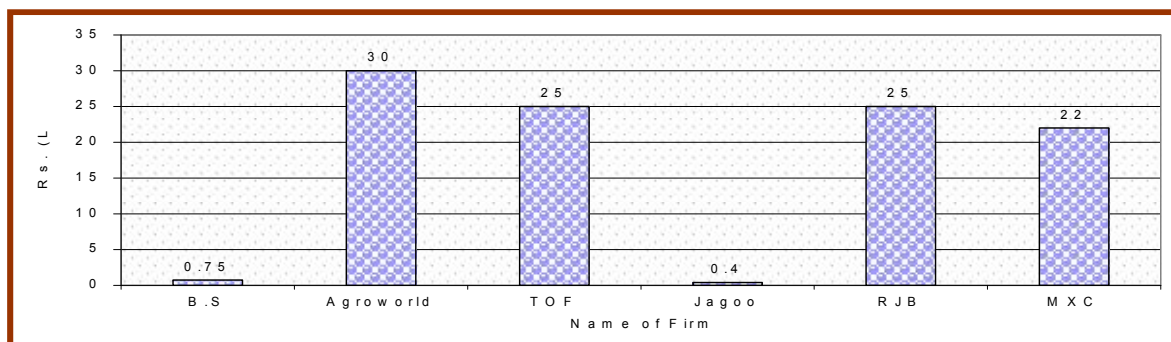


Exhibit 5.15: Imported Fruits Seller's Credit on Buyers (Rs. Lacs)

It is clear from the above graph that out of six sellers of imported apples three sellers were having at least 25 lacs

rupees as credit on buyers. Sellers used to keep inventory of imported fruits their investment in inventory is depicted in Exhibit 5.16.

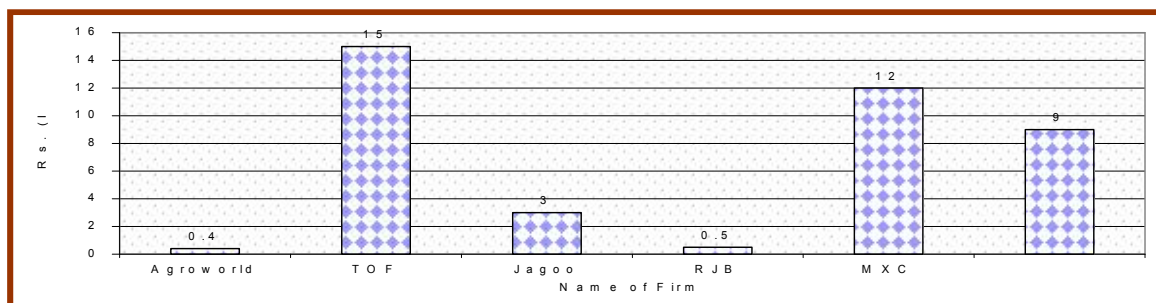


Exhibit 5.16: Imported Fruits Seller's Investment in Inventory of Imported Fruits (RsLacs)

Imported fruits seller's investment in inventory is clear from the above graph it was found that Agroworld, RJB and MXC used to invest 15 lacs, 12 lacs and 9 lacs rupees in keeping inventory of imported fruits.

5.4 Problems Faced by Market Functionaries in Azadpur Market

Different stakeholders were facing the different kinds of problems in supply chain of apple.

a) Problem Faced by Growers

As the returns from apple cultivation depend on, along with several factors, the quality of fruit which in turn is

determined by the time of picking, care taken in grading and packing, time taken in transportation, type of storage etc. major problem of apple grower are discussed below:

- i. **Grading and packing problem:** higher wage rates and shortage of skilled labour was main problem. Majority of farmers were facing the problem of high wages of labour and a little bit less of them had the problem of shortage of skilled labour.
- ii. **Problem of packing materials:** Apple being fragile in nature needs packaging, which may ensure least damage to the fruits during transportation from producing areas to the distant markets. The problem reported by them were shortage of packing boxes and packaging materials, high price of these, non-availability in time, lack of credit, supply at inconvenient place, etc. to growers.
- iii. **Storage problem:** inadequate facility of storage was the common problem with majority of farmers.
- iv. **Problem of transportation:** transportation is most important factor in the marketing of apples, which have to be carried from producing areas to the consuming markets. The main problem reported by them in this regard was of lack of vehicles, vehicles not available in time, villages not linked with metalled roads, high transportation charges, non-availability of labour and no road up to 1 km. from orchard site.
- v. **Problem of market intelligence:** as market intelligence play important role in marketing of apple. If the grower does not have proper information regarding the market, he can not take advantage of high price whenever they are prevalent.
- vi. **Problem of malpractices:** Apple grower gets very little out of their sale and this may be because of low prices in the market, high marketing cost malpractices by commission agents and other market functionaries.
- iii. Some time farmers / forwarding agents do not supply the produce on time. This problem was common with 20 percent commission agents. That is why commission agents could not fulfill their agreements with the buyers and these phenomena cause a loss to the commission agent's credibility and trustworthiness in the market. They also loose their buyers.
- iv. Another common problem of the commission agents was not getting the credit amount from buyers on time. This problem was felt by 72 percent commission agents. They were saying that buyers do not pay back the credit to them on the due date and show their inability to pay the credit and ask for new consignment and promises that they will pay all credit this time. Again, they do not pay the credit back to them on time. Due to such type of default buyers, commission agents make a great loss in the business. They face the problem of 15-20 percent of bed debt in the market.
- v. Ladanies were facing the problem of transportation facility to transport apple to other cities out side Delhi. Fourteen percent Ladanies were saying that they do not get proper transportation facility to transport apples.
- vi. Fifty-seven percent Ladanies were also reporting the problem of not getting good quality produce.
- vii. Twenty-eight percent Ladanies were also facing the problem of credit recovery, as they supply the produce on credit to wholesalers in other markets, because some time the sellers in other market not able to sell the produce at the desirable price.

Problem Faced by Mashakhors

- i. Mashakhors buy a large percentage of their sale on credit from the wholesalers, and due to this reason, some time wholesalers compel them to sell their some poor quality produce also. This problem was common with 22 percent mashakhors.
- ii. Forty-four percent mashakhors were also saying that retailers who buy from them also do not pay back the credit to them on due time.
- iii. Thirty-three percent mashakhors were also facing the problem of bed debt in the market.
- iv. Security force person also charge Rs.100 from them for the security of their produce. They were also facing the problem of under cover auctioning of fruits and vegetable in the market.

SUMMARY AND CONCLUSION

Azadpur market is known as the Asia's biggest fruits and vegetable market. In Azadpur market, there are three kinds of market functionaries namely commission agents, Mashakhors and Ladanies. Normally apple commission agents deal in more than one type of apples. They have their

Problem Faced by Commission Agents/Wholesalers and Ladanies

- i. Twenty-eight percent commission agents were saying that we pay the advances to the framers three – four months before the apple season even though some time farmers don't deliver the fruits as per the contract because they sell produce in other market. When commission agents ask for delivery of fruits from farmers, they said that this time fruits were less in their orchards.
- ii. Another problem faced by them was of filling of the small fruits in the bottom of the apple boxes by the farmers. This problem was felt by the 80 percent commission agents in the market. Therefore, they feel the need for grading and standardization of fruits for fetching good price in the market.

own contacts with the farmers and have agents who supply apples to them. Commission agents many a time advances money to suppliers in four or five installments depending upon the estimation of the crops yield. They give first installment to farmers before the apple season comes. They sell a large percentage of their apple sale on credit to buyers. Ladanies also charge three to five percent commission from wholesalers. There are nine marketing channel for apples. Various marketing functions in the process of marketing of apples include functions like picking, grading, packing, transportation etc. It was found that some farmers do not exercise due care in grading and packing of apples. Practices of mix grading and topping was found to be a common phenomenon with farmers. Farmers were also facing the problem of packaging materials, storage facilities, transportation and lack of market information. There was problem of malpractices in market and all these are unchecked. Commission agents were facing the problem of mix quality produce. Breach of contract from farmers' side was also there. Bad debt problem was common among commission agents, Ladanies and mashakhors. Ladanis and mashakhors were facing the problem of poor grading of apples. As company has started backward integration, they are planning for forward integration. Company wants to use traditional and non-conventional marketing channels for marketing of branded apples. In this market, they can target the big commission agents and ask them to work as distributor for their apples. They can also think about sellers

of imported fruits, as they are doing the whole selling of imported fruits they can easily be convinced for selling branded Indian apples.

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