

A STUDY ON THE PROBLEMS ASSOCIATED WITH MSME FOR MANGO PRODUCTS

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ABSTRACT

India is a developing economy with most of its population dependent on agriculture as their primary occupation. The most of the revenue being generated through horticulture as the climatic conditions and the soil profile favor the cultivation of the same. Mango also referred to as the King of fruits is a primary source of revenue for the agriculture sector and the crop with highest demand in the country. So are the mango products which are under great demand in the country. Being a seasonal crop, it leaves the mango cultivators devoid of revenue during most part of the year or during the off season. Hence the farmers resort to other forms of income such as the mango products or the by-products such as mango juice, purees, jam, jelly etc. which can be made and sold during the off-season generating income. MSMEs which are the budding sectors of the nation and a great source of self-employment are bothered with several problems in marketing of the mango products. Most of the issues stand similar to the one's faced by the farmers in the country and the others happen to when the processed product using the raw material needs to be moved to the market to the customer. One major issue being the lack of required amount of credit and skilled labor at their disposal to perform as expected. Especially when it comes to agricultural marketing the hurdles get piled up in the form of proper transportation and middlemen interferences. The current study tries to address these problems faced by the MSMEs along with relevant suggestions such as providing required training to the farmers, purchasing crop directly from the farmers to avoid middlemen followed by the expert opinions in the previous studies with a detailed analysis showing the assessment of the same.

Keywords

Mango, Cultivation, MSME, Marketing, Problems in Marketing, Mango Products

INTRODUCTION

India is popularly known as an agrarian economy as the primary source of revenue and occupation stands to be agriculture. Also, being a developing nation, it is confronted with two major issues that actually backstab its growth over the period of time. These problems are poverty and unemployment. Poverty can be addressed only when the problem of unemployment is dealt with properly. Unemployment over the period stands less or minimum with the introduction of MSMEs in the country. These MSMEs are a source of self-employment and a wide grave of opportunities that in a way minimizes the problem of unemployment. Coming back to agriculture amongst the various other yields the seasonal crops are always in demand and high revenue generating. Mango in particular is more in demand by the people of the nation. Hence the fruit is rightly referred to as the king of fruits. Apart from the actual crop its by-products or the products based on the fruit like the pickle variants and various other items also have huge demand in and outside the nation. But the cultivators are confronted with various issues when comes to its cultivation and marketing. These problems are even faced by the MSMEs who run their business on the mango products. The marketing cycle includes the following activities: production, grading, shipping, pricing, conveying information from the production area to the market and from the market to the production area, and finished goods.

Lack of rural cooperative work, insufficient marketing infrastructure facilities, seasonal price swings in agricultural commodities, insufficient marketing information systems, insufficient government help in the area of marketing information to rural areas Farmers lack access to inputs, there aren't enough storage facilities, and there aren't many retail shops. Marketing and production have no added value. Cooperatives don't have warehousing or storage facilities for rural areas, and there aren't enough transportation options for exporting produce. Another barrier in the industry is said to be a lack of technical knowledge of how to manage the produce.

Also, mango cultivation is a highly expensive business wherein one needs to invest a ton on cultivation of the crop later on its preservation as well. Unavailability of adequate finances also stands as a major problem for the MSMEs to market the crop and make it reach the final consumers.

STATEMENT OF PROBLEM

There being several advantages for the cultivation of mango such as favorable climate and soil profile. But agriculture marketing is not just confined to the cultivation but also to how it reaches the consumers. There comes the concept of agricultural marketing which actually encounters a couple of constraints and issues that make consumption of mango products really difficult especially for the MSMEs. One of the major problems being the middlemen interference and hurdles in determining prices. These issues need to be addressed for proper marketing of the mango products.

OBJECTIVES OF STUDY

1. Validate the importance of marketing the mango products in developing nation like India.
2. Enlist the problems encountered by the MSMEs in marketing of mango and mango products in India.
3. Provide relevant suggestions to address the problems of the firms in marketing of mango products.

REVIEW OF LITERATURE

India being an agrarian economy has its main occupation and source of revenue to be agriculture. Hence the cultivation and marketing of the agrarian produce stands to be of primary importance for the nation as a whole. MSME are also a crucial backbone of the economy encouraging self-employment hence adequate efforts encouraging marketing of the produce is very much important and at the same time not so easy to deal with. Mango variant in India is very popular a high revenue generating hence proper action in the path of marketing the mango produce is beneficial. The present study addresses the issues faced by the MSMEs in the marketing of mango and mango products in India.

The equatorial fruits stay apart or are attractive due to their appealing color, great taste, amiable scent amidst most of its various alluring features and aspects associate with the fruit R. Oliver-Simancas, (2021). The bearing and usage of equatorial fruits have has remarkably hiked up over the couple of years FAO (2021). Mango has been amongst one of the most crucial fruit due to its extraordinary tangible features that attract the consumers.

Mango is usually eaten up fresh and directly. The pulp of mango is mostly extracted and refined into various by-products such as juice, syrups, jam, purees, jelly, chutney, frozen pulps C.H.O. Delgado, (2016). As per numbers and figures around 35 to 60% of the mango weight is usually the processing waste such as seed, fruit skin and pulp V. Tirado-Kulieva, (2021).

Krisagar, et. al., (2003) in their research detailed the issues encountered by the mango producers such as the wholesalers providing very low rates to the mango producers and also discreetly determining the prices. The researchers also mentioned issues such as limited availability of talented workforce for cultivation and heavy commuting facilities.

Saraswat et al., (2018) researched the various circulation method and discovered that the mango fruit must go through the hands of more than one individual apart from its cultivators unless it is sold straight to the consumer by the manufacturer, which is an unusual occurrence. During this course various intermediaries, such as growers, pre-harvest contractors, commission agents, wholesalers, retailers, and so on, are involved in this chain. This network of intermediates and officials is referred to as a marketing channel.

Purushottam Bung (2015) based on his investigation, he identified the primary issue encountered by mango producers was non availability of perfect variants of mangoes that are ideal for processing; missing of critical framework; lack of supportive involvement among producers association; and lack of combination of a significant number of actions beginning from base initiation till final buyers due to the dysfunctional operation of the administrative divisions, nodal bodies, and foundations without a rational plan and goals.

The Kolar district of Karnataka hosted the Saripalle Madhuri, (2019) study. The farmers that manage market risk and supply mangoes to the market are partners with the intermediary in the credit cycle. Because they are involved in the provision of finance to farmers and have easy access to the market, the elimination of agents or middlemen is not as simple. Although the agents don't give farmers any technical assistance, they are necessary to access the high-value market and lower market risk.

According to A Vadivelu and B R Kiran, (2013), while technology has advanced in India thus far, it has not reached the basic level. It only exists in a few urban locations. Still, the problems like low literacy rates, high interest lenders, and dishonest agency heads are prominent in rural areas. Farmers must overcome numerous difficulties and obstacles in order to receive a better price for their labor due to the accumulation of various loopholes.

V.Saminathan and Dr. V. Sriman Narayanan (2017) India's national fruit, the mango, is grown commercially in tropical areas like south India. Mango farming is increasing revenue while increasing the availability of facilities for the mango growers, such as transportation, cold storage, and credit, will raise the yield, production, and marketing of mangos, increasing both domestic and foreign revenue for the nation.

V. Palanivel et al., (2015) conducted a study in growers encounter numerous challenges. The main issues seen in the niche region include a lack of an irrigation system, an ineffective pest management system, a lack of storage, and the influence of agents and middlemen. The recommendations for the main issues in this study are an effective local administration system, a suitable storage and cold storage system, and farmer research to develop an effective marketing strategy.

RESEARCH METHODOLOGY

For the conduct of this study, farmers who are mainly on the mango cultivation have been selected as target population. The random sampling method used for the selection of mango growers. At 0.025 margin of error and 99% confidence level used for the selection of sample size from the population. It was finalized as 663.

ANALYSIS AND INTERPRETATION

The following analysis showed the problems associated with MSME for mango products in Tamilnadu. Constraints are evaluated with the score of mean value. High mean score will get the top position. The subsequent position followed by the mean value. Constraints are listed as lack of financial literacy, lack of modernized financing regulations, lack of credit, inadequate approaches to reach MSME office, low-capacity utilization, frequent request for granting excess and low quality of mango grafts.

Constraints	SA	A	N	DA	SDA	Total Score	WA S	Rank
lack of financial literacy	48	61	77	158	76	1107	2.64	VI
lack of modernized financing regulations	155	13	94	73	85	1340	3.19	IV
low quality of mango grafts	285	44	43	26	22	1804	4.30	I
inadequate approaches to reach MSME office	75	67	124	56	98	1225	2.92	V
low-capacity utilization	14	36	67	114	85	316	1.98	VII
lack of knowledge on social media usage	164	126	85	39	6	1663	3.96	II
frequent request for granting excess	65	198	55	79	23	1463	3.48	III

Source: Primary Data

The above table clearly exhibits the constraints of mango growers. The weighted average score is ranged from 4.30 to 1.98. “Low quality of mango grafts” were ranked as first with a mean score of 4.30. “Lack of knowledge on social media usage” got second rank with a mean score of 3.96. “Frequent request for granting excess” got third rank with a mean score of 3.48. “Lack of modernized financing regulations.” got fourth rank with a mean score of 3.19. “Inadequate approaches to reach MSME office” came in fifth place with a mean score of 2.92. “Lack of financial literacy” got sixth rank with a mean score of 2.64. Seventh place was earned by “Low-capacity utilization” with a mean score of 1.98.

FINDINGS

- ❖ Sample size used for the study is to be 663
- ❖ Random sampling method used for the selection of samples
- ❖ Constraints are listed as lack of financial literacy, lack of modernized financing regulations, lack of credit, inadequate approaches to reach MSME office, low-capacity utilization, frequent request for granting excess and low quality of mango grafts.
- ❖ The weighted average score was ranged from 4.30 to 1.98
- ❖ “Low quality of mango grafts” got first rank with a mean value of 4.30 and “low-capacity utilization” got seventh rank with a mean value of 1.98.

SUGGESTIONS

1. The government should come up with adequate schemes to help the MSMEs in their endeavor to market the mango products.
2. The MSMEs must invest more on the packaging of the mango products such as using bio degradable items instead of plastic and win the attention of the consumers.
3. The MSMEs must be granted credit at reasonable rates so as to help them out with their process.
4. More emphasis must be put on the medium of marketing and advertising. Choosing a medium that can reach more people at less prices is the need of the hour.

5. Proper attention and investment must be put on the storing and preservation of the products as mango in itself is a perishable product.

RESULTS AND DISCUSSION

The empirical results indicated that “low quality of mango grafts” were the most difficult constraint associated with MSME for mango products marketing. Overall, it shows that the maximum population believes that the problems regarding marketing the mango products highly depend on the product standards, which includes the quality of products. Moreover, 90% of the participants strongly agreed. In addition, the result from the study also shows that 85 percent of people strongly agreed and 15 percent agreed that “lack of knowledge on social media usage” placed a second constraint associated with MSME. It means that most of the mango growers doesn't having an exposure to social media for the purpose of marketing the products. So, the representatives of MSME having a fear for loans and advances. 81% of the respondents were strongly agreeing the statement “frequent request for granting excess” and 19% of the respondents were agreed the statement. 75% of the respondents were strongly agreeing the statement “lack of modernized financing regulations” and 25% of the respondents were agreed statement. 70 of the respondents were strongly agreeing the statement “inadequate approaches to reach MSME office”. 60% of the respondents were strongly agreeing the statement “lack of financial literacy”.55 % of the respondents were strongly agreeing the statement “low-capacity utilization.”

In rural areas, the mango business is crucial for bringing about drastic transformation. They have not only transformed agriculture from a subsistence to a commercial enterprise, but they have also significantly advanced the socioeconomic situation in rural areas. Some of the severe obstacles that the growers of mangoes must overcome include the highly variable pricing pattern, a lack of storage facilities, and the stifling influence of middlemen. This research paper is an attempt to bridge the gap between the mango growers of Tamil nadu and the department of MSME Tamil nadu.

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