

# Pre-Harvest Contractor and Their Role in Apple Marketing in District Shimla

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## ABSTRACT:

The inclusion of pre-harvest contractor in marketing channel of apples is a satisfactory method of risk aversion by the growers. It also frees the grower from the botheration of harvesting and doing all post-harvest operations. Once an agreement is drawn on the basis of standing crop, the crop failure due to any unforeseen calamity becomes the headache of pre-harvest contractor and thus growers is saved from the doom. These pre-harvest contractors, who, on the one hand, provide a method for risk aversion, have drawbacks as well. Once the orchard is in their control, they do not bother for the proper maintenance of the orchard, and also damage the branches etc., about 15 per cent of all orchard are given to pre-harvest contractors and these orchards are generally are leased out for one season only. These contractors are facing the problems in grading and packing, problems of packing materials, transportation, market intelligence, malpractices, storage problem and procurement of culled apples etc.

## KEY WORDS:

Pre-harvest contractor, Marketing channel, Risk aversion, Post-harvest operation, Picking, Packing material, Market intelligence and Malpractices.

**BACKGROUND OF APPLE CULTIVATION IN HIMACHAL PRADESH:** The success of fruit cultivation has been a very slow phenomenon over a long period of time. The apple cultivation started from Kotgarh area of District Shimla, where first apple plantations were done by Mr. Satyanand Stokes, who was a missionary and brought the planting material with him from America. From Kotgarh, the apple cultivation spread to nearby areas and came to village Kiari near Kotkhai during about 1930. At that time the area didn't had any roads and whatsoever little production was there had to be brought to Shimla city, the nearest and the only approachable market at that time. Apples were used to be packed in empty tea cartons and transported by mules. The

profitability induced the other farmers gradually to take up this vocation. Slowly, the whole area has been transformed to one of the major apple-growing belt of the state.

## MARKEING PATTERN OF APPLE IN HIMACHAL PRADESH :

The marketing of Apple is a complex phenomenon. The marketing pattern of apple is different from other agriculture commodities. They are first brought to the wholesale markets near the production area and then supplied from there to the terminal markets. The dispersion process in case of apple is in the opposite direction. The produce is first sent to the terminal market from the producing area and then distributed to the primary and secondary markets. Consequently, a large number of middlemen are involved in the channels of trade between the apple producers and the consumers. There is also an evidence of collusion amongst the apple merchants to control apple prices within the market and to influencing pricing in other market. The marketing system for apple is therefore, of utmost importance for those growers who specialize in apple production and of great importance to all those people who are concerned with the producer's share in the consumer's price. Apple marketing in Himachal Pradesh is virtually in its entirety is carried out by the private sector comprising of pre-harvest contractor, forwarding agent, commission agents, wholesalers and retailers. It is claimed that collusion among middlemen and exploitation of weaker producers is common practice.

**ROLE OF PRE-HARVEST CONTRACTOR :** Pre-harvest contractor are persons who are well conversant with local environment, productivity and quality etc., of local orchards and are willing to undertake the risk and the marketing of the fruits. Till recently they used to be local people from the local area. The amount of contract offered by contractor is determined by fruit setting in the orchard. To determine this, the contractor visits the orchard at fruit setting stage or at the time of flowering stage. The contractor also takes into consideration other factors e.g. likely losses due to disease, hailing, bad weather, etc. He also considers the likely production of fruits in other parts and most importantly, the likely prices of apples in consuming markets, where the apple is to be sent for sale. His only objective is to maximize his profits and that is natural.

These pre-harvest contractors who, on the one hand, provide a their control, they do not bother for proper maintenance of the orchard, It is revealed in past studies that about 15 per cent of all orchards are

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given to pre-harvest contractors and these orchards are generally leased out for one season only.

#### OBJECTIVES OF THE STUDY:

1. To estimate the reasons for giving orchards to pre-harvest contractor,
2. To study the distribution of orchardist according to tenure of contract and number of installments in which contractual amount is paid, and
3. To know the problems of pre-harvest contractors and make suggestion for their betterment.

**METHODOLOGY :** Keeping in view the objectives of the study, the data collection was carried out through field survey in District Shimla. This District of Himachal Pradesh has been selected purposely for the study because it accumulated highest area and production under apple cultivated in the state. Farmers, forwarding agents and pre-harvest contractors were also taken into consideration. A sample of 200 orchardists has been taken from the study area and out of which 32 orchardist who has given their orchards on contract basis are included for the study. The sample was classified in different categories as per their land holding (Table-1).

**Table-1:**  
**Classification of Sample orchardist**

Category	Total No. of Sample orchards	No. of orchards given on contract
Marginal (0-1 ha)	104	18
Small (1-2 ha)	48	8
Semi-Medium (2-4 ha)	26	3
Medium (4-10 ha)	14	2
Large (more than 10 ha)	8	1
Total	200	32

The information from the orchardist was collected on specially designed and pre-tested schedule through face to face interview method. Analytical tools basically tabular analysis and percentage calculation were used.

**RESULT AND DISCUSSION :** The main result of this paper has been discussed in which the reason for giving orchards and distribution of orchardists according to tenure of contract and number of installments

in which the contractual amount in paid were analyzed as under.

**Table-2:**  
**Reason for Giving Orchard to Pre-harvest Contractor**

Category of Farmer	Size of Sample	No. of orchard given on contract	Category					
			Reason for giving orchards on contract*					
			1	2	3	4	5	6
Marginal	104	18	6	4	3	3	1	1
Small	48	8	3	1	2	1	1	0
Semi-Medium	26	3	1	0	1	1	0	0
Medium	14	2	1	0	0	1	0	0
Large	8	1	1	0	0	0	0	0
Total	200	32	12	5	6	6	2	1

\* 1. Labour problem. 2. To avoid market problem. 3. To avoid risk and uncertainty. 4. Busy in other farm operation. 5. To look after other domestic work. 6. Other Reason.

Out of 200 sampled orchardists, 32 were those who gave their orchards to pre-harvest contractors. In District Shimla, only 16 per cent orchardist leased their orchards on contract due to many reasons. In marginal category, 33 per cent orchardists have given their orchards due to mainly labour problem, 22 per cent orchardists given their orchards due to avoid the market problem, 9 per cent orchardist have given due to avoid risk and uncertainty. In small category, 37 percent orchardist have given due to labour problem, 25 per cent orchardist have given due to avoid risk an uncertainty in market. In Semi-medium, medium and large categories are facing the labour problem in study areas and due to which they gave their orchard on contract basis (Table-2).

**Table-3:**  
**Distribution of Orchardists According to Tenure of Contracts**

Category	Total No. Of Orchards	No. Of Orchards given on contract	Tenure of Contract			
			1 yr.	2 yrs.	3 yrs.	4 yrs. & above
Marginal	104	18	17	0	1	0
Small	48	8	8	0	0	0
Semi-Medium	26	3	3	0	0	0
Medium	14	2	2	0	0	0
Large	8	1	1	0	0	0
Total	200	32	31	0	1	0

**Table-4:**  
**Distribution of Orchardists According to No. of Installments in which Contractual Amount is Paid**

Category	Total No. Of Orchardists	No. of Orchardists given on contract	No. of Installments in which Contractual Amount is Paid			
			1	2	3	4 & above
Marginal	104	18	0	18	0	0
Small	48	8	1	7	0	0
Semi-Medium	26	3	0	3	0	0
Medium	14	2	0	2	0	0
Large	8	1	0	1	0	0
<b>Total</b>	<b>200</b>	<b>32</b>	<b>1</b>	<b>31</b>	<b>0</b>	<b>0</b>

Distribution of orchardist according to terms of contract and number of installment in which contractual amount was paid (Table-3). The table reveals that the terms of contract was generally for one season and in majority of cases the amount was paid in two installments (Table-4). Most of the orchardist finalizes their contract in the month of May and June (Table-5).

**Table -5:**  
**Distribution of Orchardists According to Month of Finalization of Contract in which Contractual Amount is Paid**

Category of Farmer	Category										
	Size of Sample	No. of orchard given on contract	Month of Finalisation of contract								
			Jan	Feb	Mar	Apr	May	Jun	Jul	Nov	Dec
Marginal	104	18	0	0	2	1	5	7	1	1	1
Small	48	8	0	0	0	0	4	3	1	0	0
Semi-Medium	26	3	0	0	0	0	2	1	0	0	0
Medium	14	2	0	0	0	0	1	1	0	0	0
Large	8	1	0	0	0	0	1	0	0	0	0
<b>Total</b>	<b>200</b>	<b>32</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>13</b>	<b>12</b>	<b>2</b>	<b>1</b>	<b>1</b>

#### PROBLEMS FACED BY PRE-HARVEST CONTRACTORS:

The various problems of pre-harvest contractors at harvesting, marketing and other levels are analyzed as under:

- Apple scab diseases, outbreak of pre mature leaf fall and infestation of red spider mite have declined the quantity as well as the quality of the fruit.

- Price risk is faced by contractors, since there is no guarantee of increasing trends in market price of fruit as it fluctuates. There is no support from government in the home market and perish ability of the product also becomes proximate cause of dwindled price.
- In view of shipment of fruit to the wholesale market by unrefrigerated trucks (vehicles), contractors have the option either to sell at prevailing price or paying for storage in the hope of getting higher price in future.
- There are cold storage problems in producing areas also. There are no prescribed standards for grading and packaging.
- Mostly pre-harvest contractors reported regarding multiplicity of charges and they were of the view that commission agent record lower prices than the actual prices at which their produce was sold. A few of the respondents dislike the practice that commission agent do not take the consent of the farmers while selling their produce.
- Poor condition of main roads and link roads in upper Shimla is also affecting the marketing of this fruit.
- Poor integration of domestic markets with those of national markets.
- No special provision from government regarding monitoring, finance, precautions, standard pesticides and fungicides and fertilizers.
- The main problem which is identified by the contractors with regard to technical know-how regarding maintenance of orchard, problem of labour and packing material, lack of knowledge about marketing, spray schedule, fertilizers and micro-nutrients, identification of diseases and identification of insects and pests are seen during the study.
- Although major contribution in terms of income and employment comes from this sector, yet it is not getting the status of an industry.
- No provisions have been made to process the fruit so that yield/income of growers and other intermediaries could be increased many fold.

#### SUGGESTIONS:

Taking to the above figures into consideration, if appropriate steps are taken at various level of production by all the stakeholders, there will definitely be positive trend in marketing of this fruit. The various suggestions are :

- The only Horticulture university should open its tiny research centre at district level, so that proper care can be taken of pre-mature leaf fall and infestation of red spider mite by organizing class room training programs and giving suggestions and guidelines in the orchards by the experts themselves regarding National Standard on Pesticide Residues, on the people related with growing are illiterate and ignorant what is written in various guideline booklets of these pesticides.
- Proper cold storage facilities should be provided at the easy reach of growers in order to reduce the carriage cost. The growers and contractors can stock their produce in order to avoid the market risk and also to strike a balance between demand and supply.
- Since the market rate of apple fluctuates, there should be a minimum price fixed by the government as per grade wise so that growers will at least be sure of minimum returns.
- Cost in terms of transportation from the orchard to respective fruit markets (Azadpur and other) depends upon, the rate at which the fruit is sold in the market, as well as perish ability of the fruit. So if any benefit could be realized by the grower or the contractor, it is squeezed by these truckers (transporters). These transporters are under private unions with no invigilation from government. Hence appropriate measures should be taken by the concerned authorities.
- There are the ordinary transportation facilities on one hand and on the other hand the product is perishable which harms the quality of the product. The distance between the source market and the destination market is long, so it is also a hindrance. Hence, the markets should be integrated to avoid this risk by way of refrigerated transport facilities.

#### CONCLUSION:

Thus, the marketing system besides adding utility to the fruits gives an indication of consumer preferences which serves as guidelines to the allocation of resources in production and marketing. Also, price spread as a measure of efficiency of marketing system rests on the assumption that the prices are reflectors of consumer's choice which may not always be valid. In the present marketing system, particularly for Himachal apples, most of the benefits are reaped by the affluent growers. It is

suggested that an attempt be made to strengthen the marketing system by organizing cooperative societies particularly for small growers in order to lessen the burden of marketing costs and intermediaries' margin which will ultimately reduce the price spread and ensure better producers' share in consumer's rupee. It may be concluded that if the growers and pre-harvest contractors are provided timely supply of packing material, better prices for culled fruits, proper market intelligence and efficient market facilities, they will get the better prices in market. This will not only improve the socio-economic condition of the apple growers and pre-harvest contractors but will also improve the economy of the State.

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