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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 unorganized markets. Most farmers either willingly or forcefully sell away fresh fruits and vegetables at the farmyard or in the unorganized market. 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 price fluctuations either act as a boon sometimes or bane other times. Further, the deceptive practices of intermediaries add to the woes of farmers. Charging high commissions, improper weighing, and irregular payments are important deceptive practices of middlemen. The farmers get elated when prices shoot up and disheartened when prices crash. The incidences of throwing vegetables on the street when the prices get down to the nadir and getting back to the villages cursing by the farmers are often reported. Lacking market intelligentsia is affecting gullible farmers very much. Ninety-nine percent of the businesses are in the unorganized sector, and reports suggest they are declining. The divergence between the two sectors is visible. The head of the largest luggage manufacturer recently said 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 development gains. 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 on Ethical issues in Unorganized markets for fruits and vegetables in Mysore District.

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1. Introduction

The market for fresh fruits and vegetables in underdeveloped & developed economies is mainly characterized as an unorganized market. The impediments the growers of fresh vegetables face under the given Socioeconomic conditions are unable to replicate the systemized marketing model of developed economies on their part. India's fresh fruits and vegetables market accounts for 70%-80% of total rural markets. The increase in Population and the increase in fresh fruits and vegetables by the health-conscious society has

contributed to the increase in demand. On the other hand, the supply side is witnessing volatility owing to irregular production and improper market infrastructure. While irregular production results from scarce water resources, inappropriate cultivation models, adversaries of climate, unwise cropping patterns & pests.^{1,2}

Most importantly, the marketing modules that the growers of fresh vegetables adopt are unorganized. The presence of intermediaries in the chain of distinction takes away a significant chunk of the price paid by ultimate customers. Panic Sales at the local market yards in abilities in collecting & using market intelligence & easy ability to the pressures of dominant buyers grow to add to the of growers.³⁻⁶

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

So many production and marketing problems challenge fruit and vegetable development in the district. The nature of the perishable product, production seasonality, lack of transport, storage, and post-handling facilities, and lack of an 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 often indicates physical damage or physiological deterioration. So many production and marketing problems challenge fruit and vegetable development in the district.

The nature of the perishable product production seasonality, lack of transport, storage, and post-handling facilities, and lack of an 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. The process will fail if the wrong decision is made about any of these. Agricultural marketing problems in India include too many intermediaries, 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 the market, distress sale, and corruption.⁷⁻⁹

2. Ethical Issues in Un-organized Markets are

1. Unethical Product and Distribution Practices: Unethical products are those goods and services that any stakeholder believes may damage society. This may result from the firm operating inappropriately or because the actual output potentially damages its users. 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 picking up and delivering goods, operational failures in the transport network, unplanned changes in the distribution routes, and delivery failures.
2. Offensive and Objectionable Materials and Marketing Practices: It means, sometimes, some materials that are deemed to be objectionable or offensive, such materials are prohibited in publicly viewed areas. Offensive materials describe, express, or otherwise deal with matters of unavoidable things.
3. False advertising happens when a company overstates or embellishes the benefits of its products and services.

Sometimes, some advertisements are misleading about the quality of products and services, leading to the wrong message to the public. Advertising is one of the best and most common practices in Indian markets where it has to tell the truth and not mislead the customers. The relevant information must be passed directly to the customer for a reasonable opinion.

4. Portraying hurtful stereotypes: Advertiser uses stereotypes to provide familiarity to a viewer but poses the risk of generalizing and misrepresenting groups of people at large. It is an informal concept that refers to marketing campaigns based on common perceptions about specific demographic groups' conduct, behavior, and values.
5. Misusing customer data: Customer data is misused when employees lack good data handling practices. When employees steal confidential customer data, they cannot handle that work, and product misuse is also a valid offense against liability.
6. Negative advertising: Marketing may create advertising that targets one of their competitors to show how their products are better than others. Negative advertising relates to a product or service's behavioral modification in negative reinforcement. But this could not happen.
7. Advertising misleading pricing: Misleading pricing means when a product is promoted unclearly, which may cause misleading about the product's actual cost. Misleading the advertising and the product aims to ensure the facts about the product and mislead the buyer through implications, omissions, and false statements about the quality, quantity, and other product characteristics or any other services accompanying the system.

3. Reasons Behind Ethical Issues of Marketing in India

1. Consumer Autonomy and Marketing Effectiveness
2. Consumer Choice and Consumer Protection
3. Consumer Satisfaction and Revenue Growth
4. Customer Participation and Total System Efficiency
5. Customer Welfare and Price Discrimination

3.1. General issues of un-organized fruits and vegetable markets in Mysore District

There is adequate & excessive utilization of underground water for localized agriculture in many villages where commercial crops are grown. Fresh fruits and vegetables are also grown in these agricultural fields, either mixed crop or main crop. Few tracks of agricultural land are 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 fresh fruits and vegetables to consumers on Sunday in nearby cities.

In contrast, medium & large growers sell away the bulk quantity of fruits and vegetables to the agents' sale of standing crops; the sale rate nearby towns in the unorganized Mandi Market are transporting to neighboring states & selling there in the Mandi Markets is commonly found. There are many regulated markets in the nearby Mysore District with separate markets for fresh vegetables. The quantity of fresh fruits and vegetables bought & sold in the regulated market. The presence of brokers in the Mandi Market and the sale of fresh fruits and vegetables directly by the consumers to the small growers has not alleviated the problems of growers about pricing, weighing, transportation & preservation of freshness.

3.2. Statement of the problem

The unorganized market for fresh fruits and vegetables in the Mysore district poses several problems for 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, unsuitable infrastructure facilities, panic saves, 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 fruit and vegetable growers have not been successfully elevated. There cannot be any standardized scheme or solutions. The customized approaches made by the horticulture department & Hopcomps Societies in addressing the problems of these problems are not adequately utilized. The intermediaries are hearing these farmers to the possible extent by maneuvering the market elements.

4. Literature Review

Sahus S, Gupta. M, Nirupama. S and Joseph M (2008), in their article on "Impact of Organized Retailing on the Unorganized Sector," analyzed the impact of organized retailing on different segments of the economy. The study's findings are based on the farmers, intermediaries, manufacturers, and organized retailers. In addition, they reviewed international experience that 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 the Indian Retail market," examine the nature of changes in the retail sector taking place due to organized form of retailing. The study aims to understand consumer behavior toward organized and unorganized retail stores. The study uses primary data; collected by a survey of retailers between Dec 2010 to May 2011. The sampling method chosen is simple random sampling, which is probability sampling. The questionnaire was presented to 38 retailers & data was fed into SPSS Software. A study

finding is that unorganized retail is growing reasonably and will continue for many years. Finally, they concluded that India's organized & unorganized retail sector can co-exist and flourish.

Dev Mahendra (2012), in his article "Small Farmers in India," Challenges & Opportunities," examines the role & challenges of small-holding agriculture in India. The author has explained the role, challenges & opportunities for small-holding agriculture in India. Tables and charts show the yield gaps collected from secondary sources. Finally, gaps concluded that India had been using a rights approach for several development programs and to maintain transparency. It is the responsibility of the citizens and NGOs to organize campaigns for better functioning of the programs & public accountability is crucial for the success of the rights approach.

Parashivam, Dastagiri, Ramesh Chand & others (2013), in their article on "Indian vegetables: production trends, marketing efficiency, and export competitiveness," discussed the production trends, market efficiency, and export competitiveness" discussed 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 suggests that the Indian government should prioritize vegetable production, processing, and exports. They have used tools like the logistic model, rank correlation, Delphi technique, and Shepherd formula to estimate marketing efficiencies. The study found that the area under total vegetables cultivation is grown effectively, and the production growth rate 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 consumers. An attempt is made to determine consumer buying behavior towards organized & unorganized retail outlets in Mysore city. He has collected data from primary as well as secondary sources. The convenience sampling technique of probability random sampling selected 148 respondents. The study's significant findings are that unorganized retail outlets face problems such as consumers' changing preferences towards organized infrastructure facilities, attractive offers, & other services.

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

food supply chain management.

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

5. Significance of the Study

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

5.1. Major questions

1. Do the farmers of fresh fruits and vegetables in Mysore District have access to a proper market intelligent system?
2. Is there any vibrant, organized market for fresh fruits and vegetables in Mysore District?
3. Does the unorganized market for fresh fruits and vegetables effectively safeguard the interest of farmers?

5.2. Objectives of the study

1. To study the nature of the market for fresh fruits and vegetables in Mysore District.
2. To analyze the effectiveness of organized markets for fresh fruits and vegetables
3. To analyze the effectiveness of unorganized markets for fresh vegetables in the Mysore District.

6. Scope of the study

The present study focuses only on Mysore District in Karnataka State in India.

6.1. Research methodology

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

7. Analysis of Results

7.1. The area under fruits and vegetables in Mysuru

Table 1: Area under fruits and vegetables in Mysuru

Years	Area Under Fruits (in Metric Tonnes)	Area Under Vegetables (in Hectares)
2016-17	2492	2416
2017-18	2475	2235
2018-19	2941	2504
2019-20	3664	3919
2020-21	3188	3315

Source: Mysuru District Statistics, 2016-17 to 2020-21

The table shows the Area under Fruits and Vegetables in Mysuru. It was found that the area under fruits (in Metric Tonnes) was 2492 in 2016-17, which increased to 2941 in 2018-19. The area under fruits increased to 3664 in 2019-20 and stood at 3188 in 2020-21. The area under vegetables (in Hectares) was 2416 in 2016-17, which increased to 2504 in 2018-19. The area under vegetables increased to 3919 in 2019-20 and stood at 3315 in 2020-21.

7.2. Production of fruits and vegetables in Mysuru

Table 2: Production of fruits and vegetables in Mysuru

Years	Production of Fruits (in Tonnes)	Production of Vegetables (in Tonnes)
2016-17	24678	23020
2017-18	25747	20190
2018-19	33917	34045
2019-20	53153	71050
2020-21	63356	104256

Source: Mysuru District Statistics, 2016-17 to 2020-21

The table shows the production of Fruits and Vegetables in Mysuru. The production of fruits (in Tonnes) was found to be 24678 in 2016-17, which increased to 33917 in 2018-19. The production of fruits increased to 53153 in 2019-20 and stood at 63356 in 2020-21. The production of vegetables (in Tonnes) was 23020 in 2016-17, which increased to 34045 in 2018-19. The production of vegetables increased to 71050 in 2019-20 and reached 104256 in 2020-21.

8. Suggestions to Improve the Un-organized Markets

1. 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.
2. Open new Regulated Markets for vegetables and agricultural produce at leading Hobli headquarters.
3. Regulate the activities of intermediaries in the local markets through a proper legal framework.
4. Educate the farmers about the usefulness of grading, packing, warehousing, and use of market intelligence in cropping patterns and marketing.
5. Farmers are advised to keep a tab on the market fluctuations obtainable from mass media and effectively use it for their prospects.
6. Farmers are advised not to resort to panic sales when markets beam signals of price crash. Instead, they can wait for a few days, carry the vegetables to distant markets, or think of availing cold storage facility to be provided by Government or Private agencies.

9. 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 unorganized markets besides exploring limitations in organized markets. It has thrown light on the absence of a proper market intelligence system made accessible to farmers. The markets in India are primarily unorganized and predominantly consist of small, independent, and owner-managed shops. India is a country in which many people are engaged in agriculture for their livelihood. The sellers of fruits and vegetables are trying to compete and improve their sales by giving better quality items and capitalizing on their long-term relationships with the customers. Unorganized retailers are trying to compete with organized retailers by reaching out to the customers residing around their stores and improving their service quality. In unorganized markets, most sellers are least affected by organized retailing. In India, organized

and unorganized markets will exist and survive together. They have their targeted customer base and segment groups. The secondary study shows that unorganized markets act as a bane to the farmers of fresh fruits and vegetables in the Mysore District.

10. Source of Funding

None.

11. Conflict of Interest

None.

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