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A STUDY ON GAP ANALYSIS BETWEEN VEGETABLES PRODUCES AND HOTEL INDUSTRY DEMANDS WITH REFERENCE TO PHALTAN AND SUB-AREA

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ABSTRACT:

Agriculture is backbone of Indian Economy most of Indian population is depend on agriculture and agriculture by product manufacturing and merchandising One of the key aspects of agriculture is Production and supply. Study area is largest producer of vegetables and fruit. There is major opportunity and also challenge to export and sell of agricultural product. Now a day as changing lifestyle hotel industry is having great opportunity. Study area is also having increasing hotel industry it is challenge farmers to convert demand of hotel industry into final sell. Present research focus on key challenges match the gap between vegetables produces and hotel industry demands. As the getting fresh vegetable is one of the key aspect for hotel industry for quality production of foods also as changing demand from consumer at the same time it challenge to farmers getting sustained demand for their production this study is focuses on both aspects

Keywords: *Production and demand, gap analysis, Agriculture Industry, Hotel Industry, challenges and opportunities.*

1.1 INTRODUCTION:

Agriculture is backbone of Indian Economy, more than 50% of population is depend on agriculture and agriculture related business. Indian climate make suitable for produce of Fruit and Vegetables. It second ranks in fruits and vegetables production in the world, after China. As per National Horticulture Database (Second Advance Estimates) published by National Horticulture Board, during 2019-20, India Produced 90.2 million metric tons of fruits and 169.1 million metric tons of vegetables. Study area is largest producer of onions, Chili, and leafy vegetables like Coriander, Metha, Palak, also Okra, Brinjal, Tomato, Potato, Pea, Capsicum, Cucumber, and many

more amongst vegetables, its climate is useful for cultivation of all types of vegetables. Also fruit like Pomegranate, Grapes, and Crusted Apple, Guava, are easily available in study area. It holds the major share in vegetables market followed by Onions, Tomato, Cabbage Capsicum, Chili, Garlic and Brinjal.

1. These vegetables are consumed on daily basis as a part of meal in India and creating huge demand.
2. The hotels are also major consumers in India which feeds and shelters for Indian as well as foreign tourists and delegates and creates huge demand for almost all Indian vegetables.

1.1.1 FARMER PRODUCER'S ORGANIZATION (FPO):

Department of agriculture and cooperation, Ministry of Agriculture, Govt. of India has also identified farmer producer organization (FPO) registered under special provisions of the Companies Act, 1956 as the most appropriate institutional form around which to mobilize farmers and build their capacity to collectively leverage their production and marketing strength. The idea behind the Farmer Producer Organizations (FPO) was that "Farmers, who are the producers of their agriculture products, can form the groups and can register themselves under the Indian Companies Act".

1.1.2 Hotel industry:

Hospitality industry in Indian has emerged as one of the key industries driving the growth of the services sector and, thereby, the Indian economy. According to WTTC, **India** ranked 10th among 185 countries in terms of travel & tourism's total contribution to **GDP** in 2019. During 2019,

1.2 PROBLEM OF STATEMENT:

Phaltan Taluka is mainly depending on agriculture produce. Agriculture vegetables are easily available or it has been produced in large quantity and also hotel industry is in growing stage in Phaltan but there communication gap between demand and supply from booth side.

- 1) Agriculture vegetable produces opportunities
- 2) Key challenges of merchandising for hotels
- 3) Assumption of farmers and hotel entrepreneurs
- 4) Situation of current demand and supply

1.2. RESEARCH QUESTIONS:

- 1) Which challenges are waiting marketing of Agricultural Produces?
- 2) Can hotel industry is opportunity for Agri Produces?
- 3) Assumption and expectations of entrepreneurs

1.3. RESEARCH OBJECTIVES:

- To study current marketing practice of vegetable produce in Phaltan Taluka.
- To study challenge faced by vegetable producer for sale of agriculture produce.

- To study buying behavior of hoteliers for purchasing vegetables products.
- To study gap between vegetables produce and hotel industry demand in Phaltan Taluka

1.4. SIGNIFICANCE OF THE STUDY:

This Research focus on Agricultural production supply challenges and opportunities. Also demand and assumption of hoteliers about vegetables. Analysis current situation of vegetable demand and supply. The study will help the readers to understand the situation, issue & challenges of agricultural produces marketing and hotel industry demand so that they can devise appropriate strategy to convert into opportunities. Make their Best effort on right way to convert and increase per capita income of farmers

1.5. SCOPE OF THE STUDY:

The conclusions drawn from the study are based on the responses given by the farmers and hoteliers in a specific area. This study will be helpful in getting an insight into the perception of hoteliers and farmers about agricultural produces. Issues, challenges & future opportunities for the Marketing of vegetables

1.6. LIMITATIONS OF THE STUDY:

During the study time was the major constraint faced by the researcher, due short time period researcher cover the farmers and hoteliers samples at a particular time. The other limitation in this research was of limited area as this research comprises only in the Phaltan city and nearby to Phaltan so it does not represent the whole population. The third limitation was there were unable to take the large sample size and the forth limitation was it takes only selected area only.

2. LITERATURE REVIEW:

MARKETING CHANNELS:

Agricultural produce such as vegetables and fruits are usually mobilized through various types of marketing channels. So it is very important to define the types of marketing channels, their linkages and functions, in order to make any effective interventions in a marketing system. The rural-urban linkage in market is generally facilitated by various a networks of market intermediaries usually consisting of: farmers selling directly in market, petty traders and assemblers, wholesalers/ semi wholesalers, commission agents/auctioneers/ brokers, transporters/ transport agents, and retailers. These market intermediaries get generally active through various types of marketing channels are discussed below:

RURAL PRIMARY MARKETS:

In this type of channel producers are involved by direct sales of small quantities of produce to village traders, which is further distributed to rural consumers through retailers. These markets form part of a trade network and are normally arranged on a periodic basis commonly organized at a

central place in a village.

AGRICULTURAL MARKETING:

Classification on the Basis of Location: Local Market/Village Market, Primary Markets, Secondary Markets and Terminal Markets Agricultural marketing comprises marketing of food grain, commercial crops, plantation crops, horticultural produce and semi-processed products. Economists have divided market in different manners based on the frequency with which they are held, the type of products traded the scale of transaction and the kind of marketing functions performed.

3. RESEARCH METHODOLOGY:

Area of Research (Universe): - Phaltan City and surrounding villages of Phaltan (Maharashtra).

Sources of data: - Primary Data (Collected Through Questionnaire)

Secondary Data (Collected Through Books, Websites, Journals & Publication)

Data Collection Method: - Survey Method

Sample Size: - 100 Respondents (Farmers). And 10 (Hotels) Respondents

Sample Design:- Sampling Convenience Random

Hypothesis: - Based on availability of Data

Research Design: - Exploratory & Descriptive Research

Scale Used: - Nominal Scale

Data Interpretation & Tabulation: - Pie Chart, Bar Chart

3.1 SCOPE FOR FARMERS .ORGANIZATION / BUSINESS INSTITUTIONS:

- A) Match demand and supply ratio with more attractive plans
- B) Make availability of goods as per demand
- C) Make attractive strategy for attraction of hoteliers
- D) Increase per capita income

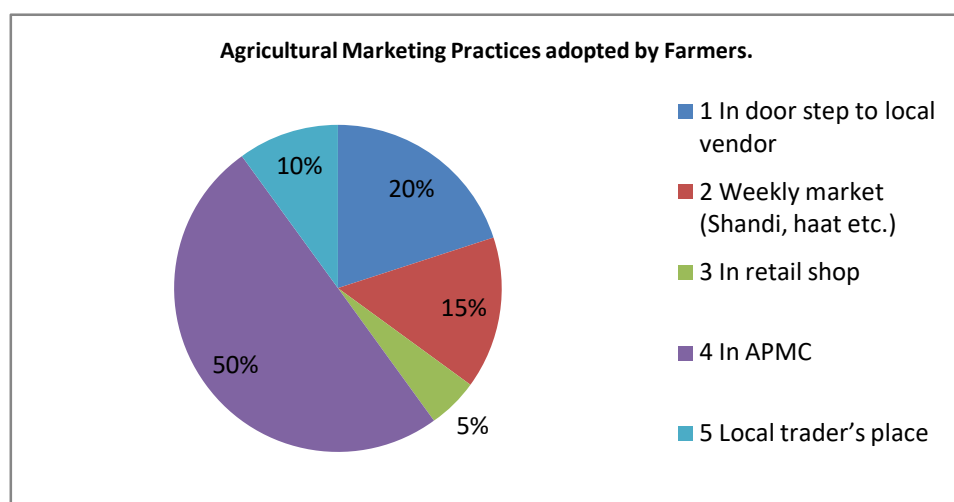
4. EXPLANATION AND DISCUSSION

4.1 Agricultural Marketing Practices adopted by Farmers.

The following table shows different areas of marketing where farmers sell their produce of different vegetables.

Sr. No	Place of marketing	No. of respondent	Percentage
1	In door step to local vendor	20	20
2	Weekly market (Shandi, haat etc.)	15	15
3	In retail shop	5	5
4	In APMC	50	50
5	Local trader's place	10	10
Total		100	100

Table- 4.1



Graph 4.1

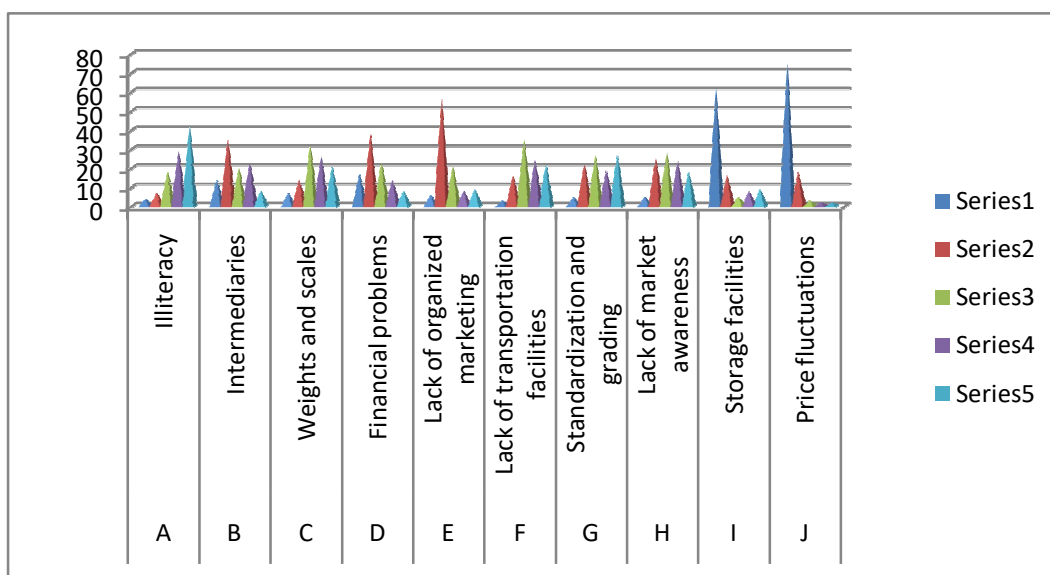
Interpretation:

As per above data most of respondent (50%) are sell their product in APMC market. Due to where as 20% respondent are indoor step to local venders shop and 15% are sell their product in mandi. Whereas 10% farmers sell their products in local traders place where as 5% are sell their product in retail shop.

4.2 Challenges faced by the farmers during marketing of their produce

Sr. No	Challenges Faced by farmers	Ranking					Total
		1	2	3	4	5	
A	Illiteracy	4	7	18	29	42	100
B	Intermediaries	14	35	20	23	8	100
C	Weights and scales	7	14	32	26	21	100
D	Financial problems	17	38	23	14	8	100
E	Lack of organized marketing	6	56	21	8	9	100
F	Lack of transportation facilities	3	16	35	24	22	100
G	Standardization and grading	5	22	27	19	27	100
H	Lack of market awareness	5	25	28	24	18	100
I	Storage facilities	62	16	5	8	9	100
J	Price fluctuations	75	18	3	2	2	100

Table 4.2

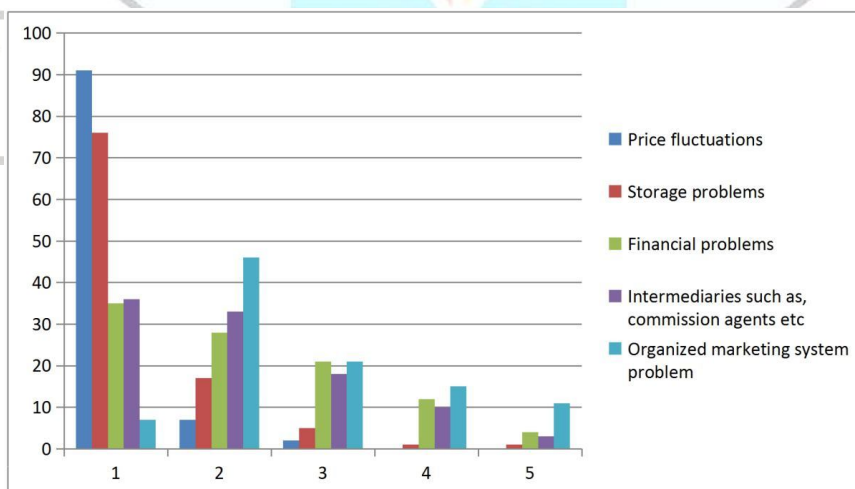


Graph 4.2

4.2.1 Ranking of major problems faced by vegetable growers

Sr. No	Problems	Ranking					Total
		1st	2nd	3rd	4th	5th	
1	Price fluctuations	91	7	2	0	0	100
2	Storage problems	76	17	5	1	1	100
3	Financial problems	35	28	21	12	4	100
4	Intermediaries such as, commission agents etc	36	33	18	10	3	100
5	Organized marketing system problem	7	46	21	15	11	100

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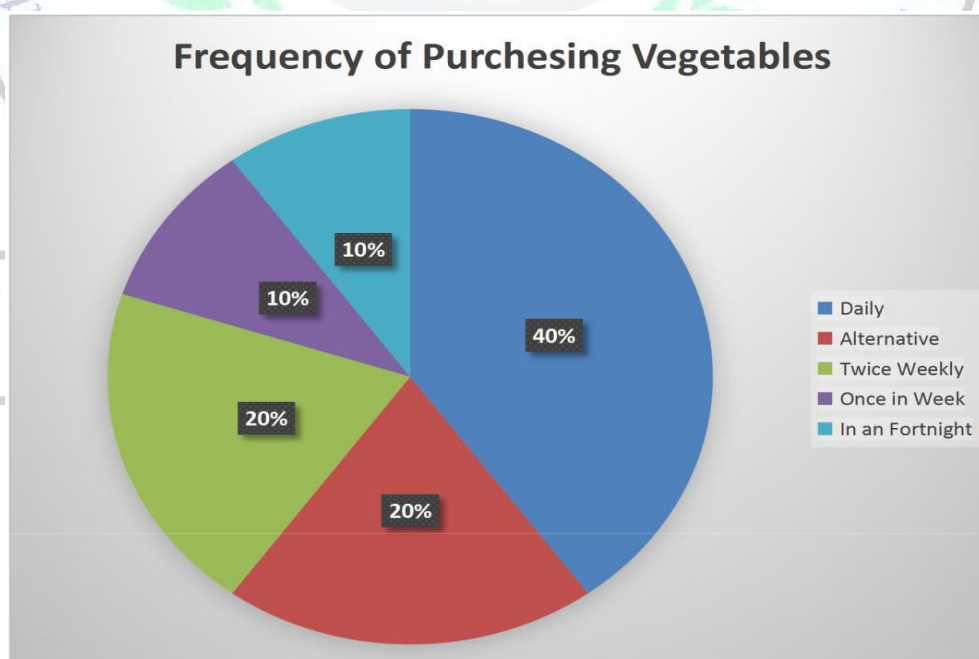
Interpretation:

From above table and graph it is clear that 91% of vegetable grower farmers are facing price fluctuation problem severely. Regarding storage problem 76% vegetable growers strongly agrees and 17% agrees about existence & intensity of the problem. 35% vegetable growing farmers strongly agrees and additional 28% mere agrees regarding the problem of financial provisions. 36% strongly agrees and 33% agree regarding the problems due to presence of intermediaries like commission agents and middlemen. Regarding organized marketing efforts 7% vegetable grower farmers strongly agree where as majority i.e. 46% vegetable grower farmers agrees about it.

4.3: Frequency of Purchasing Vegetables by Hoteliers

Sr. No	Frequency of Purchase	Respondent	Percentages
1	Daily	4	40%
2	Alternative Day	2	20%
3	Twice Weekly	2	20%
4	Once in Week	1	10%
5	In an Fortnight	1	10%
	Total	10	100

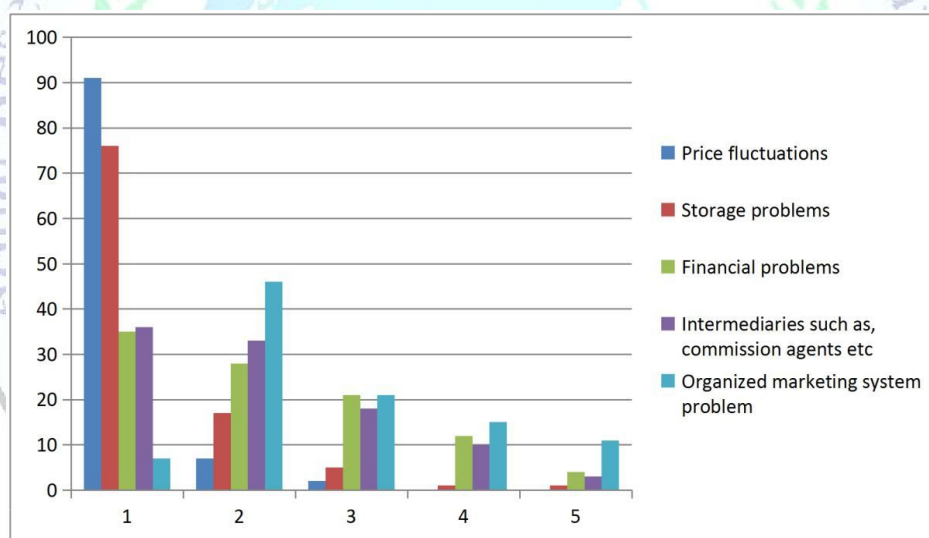
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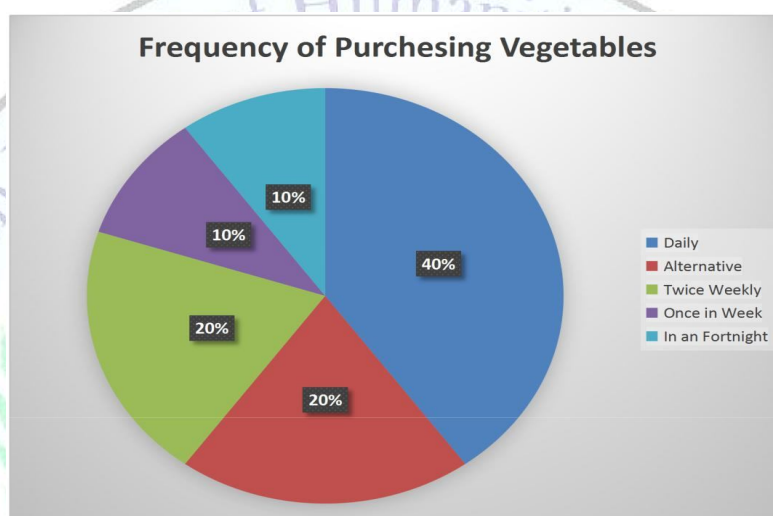
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Graph 4.3: Frequency of Purchasing Vegetables

Interpretation:

As per above data 40 percent of hotels purchase their vegetable in daily and 20 percent Alternative, 20 percent Twice weekly, 13 percent Once in Week and only 12 Percent in an Fortnight.

Proposed package of marketing practices designed for direct linkage:

The following design is suggested as an appropriate package of marketing practices

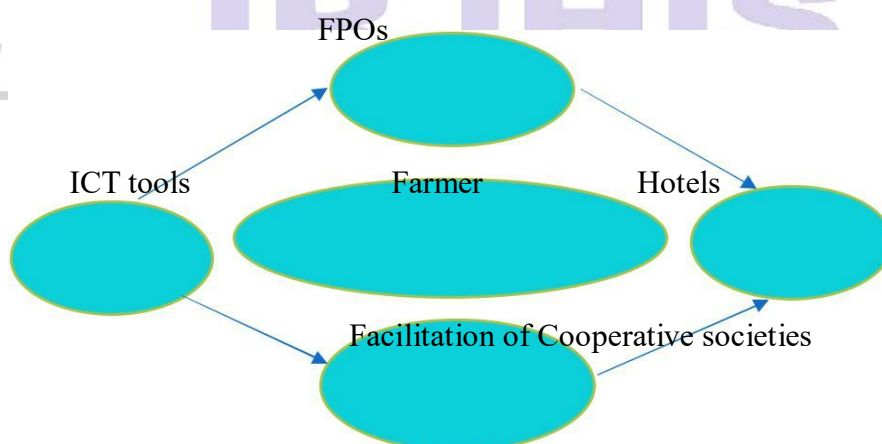


Fig: Proposed channels of marketing.

The fig shows the different channels of marketing of farmers produce that is designed by studying the data.

Parameters adopted by Hoteliers during procurement of vegetables:

According to the survey from the hotel managers the main parameters to be maintained for quality of vegetables by farmers are:

1. Quality: The quality aspect includes many parameters such as size, colour, shape, hygiene and some certification from the government authorities. FSSAI certification is the one of the important parameters the hotels will consider while procurement of the vegetables.
2. Quantity: Assured quantity of produce
3. Availability

5. FINDINGS:

The analysis of the report shows that price of per kg tomato is Rs.16.3 when farmer sells his produce in the existing marketing channel. And if they are linked directly to the 5-star hotels, they will get the price of Rs.33.4 per kg of tomato, where there is a huge price benefit of Rs.23.69. Similarly, the farmers will get prices of Rs.15.25 and Rs.20.04 which creates an extra benefit of Rs.10.3 and Rs.4.44 per kg of potato and cauliflower respectively.

On the other-side, the total costs per kg of tomato in existing linkage is Rs.13.8 where as it is Rs.7.3 in case of direct linkage. The high costs in existing linkage are due to exhaustive application of fertilizers, transportation and commission costs. There is a huge cost difference of Rs.6.59 per kg of tomato. Long marketing channels and door-step selling of produce are main factors which are reducing producer's share in consumer's rupee. According to the study the same condition exists for almost all the vegetables grown. The farmers will be bearing extra marketing costs in the direct linkage compared to the existing linkage except tomato as it includes quality management aspect. But according to the primary data from hotel management, the costs will be considered while calculating prices.

Most of the hotels purchase their required vegetables on daily basis. Whereas, some hotels prefer purchases of goods twice a week and some are purchase alternative day.

CONCLUSION:

As per overall research, we conclude that Farmers get connected with hotels for direct supply vegetables to them. For fulfillment of large quantity of demand they will make group of farmers come together and supply required commodities. Contract farming is another way. Hostellers will direct connect with farmer. Through which they will get reasonable rate and fresh goods for hotels, also if both connect each other then Farmers and hoteliers will fulfill their needs without any intermediate channel.

At the last we conclude that if farmers makes attractive strategy for hoteliers then it will be great opportunities for agricultural produce Most of local hotels and restaurants are need huge quantity vegetables and fruits on per day bases if farmers make group and catch that opportunities then they can easily increase their per capita income also hoteliers can get fresh and quality vegetables at their door step. It can develop contract farming concepts. If farmer can cultivate produces as per market demand then it will match demand and supply. Due to it will reduce gap between hotel demand and agricultural vegetable produce

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