



SURVEY ON BULK BUYER IN HOPCOMS COMPARATIVE STUDY IN FOUR DISTRICTS OF KARNATAKA

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ABSTRACT

This paper focuses on Bulk Buyers in four districts of Karnataka, location of bulk buyers from the society, reasons for buying Fruits and Vegetables (F&V), frequency of purchase of F&V by bulk buyers.

This paper describes different charges and awareness among bulk buyers, their experience with Horticultural Producers Co-operative Marketing and Processing Society Ltd, suggestions offered by the bulk buyers for improvement of society.

Key words: Bulk Buyers, Fruits and Vegetables, Hopcoms

INTRODUCTION

In Karnataka, the Horticultural Producers Co-operative Marketing and Processing Society Limited (HOPCOMS) is engaged in marketing of fresh fruits and vegetables. The area of operations of the society extends in nine districts of Karnataka. The society procures fruits and vegetables directly from the farmers and supplies the same to the consumers through its retail outlets at reasonable prices. The society has a vast network of 404 retail outlets, out of which 242 are in Bangalore, 46 in Mysore, 22 in Kolar, 18 in Tumkur, 21 in Mysore, 21 in Mandya, 13 in Hassan, 14 in Bangalore rural and 7 in Chickmangalur. Besides this, the society also supplies fruits and vegetables to bulk consumers like factory, canteen, Government hospitals, hostels clubs, restaurants in Bangalore and Mysore cities. It also supplies fruits and vegetables to government and co-operative institutions of other states and purchases fruits like apples, oranges, through co-operative and other organizations. The society has opened fruits and vegetables procurement and supply centers in all major producing areas.

Horticulture is a branch of agriculture that specializes in fruits, vegetables, flowers, ornamental shrubs and trees. Horticulture includes the production, distribution and processing of fruits and vegetables for food. It also involves the use of plants in landscaping and in such decorations as carriages and floral arrangements. The order of the day is to grow fruits and

vegetables on a commercial basis in green houses, nurseries and orchards as against the earlier days when most of the horticultural crops were grown in the gardens on a non commercial basis.

In the absence of proper marketing system in the state of Karnataka, neither the growers nor the consumers benefited by way of lower prices. The co-operative societies are a solution to this problem of market imperfections. It was long recognized that the exploitation of economically weak farmers by the middlemen must be eliminated and co-operative were seen as an association of the economically weak against the economically strong. HOPCOMS was created out of this need to give strength to producers of F&V who would not have faced the powerful middlemen that operated in the horticultural market.

Karnataka is endowed with rich potential for development of horticulture. The agro-climatic conditions available in the state are quite suitable for growing wide range of horticultural crops. The land suitable for development of horticulture is estimated to be in the order of 20 lakh hectares. In the State, at present the horticulture crops are grown in an area with an annual production of about 95.58 lakh metric tones. Though the horticultural crops occupy hardly 11.9 percent of the net sown area, the annual income generated by the horticultural crops amounts to Rs. 4,250 crore, which accounts for over 40 percent of the total income derived from the agricultural sector in the state.

Sample size

Out of nine districts in which HOPCOMS has its operations, only four major districts were selected for the study and 40 respondents from each district.

The four districts selected for the study i.e., Bangalore, Mysore, Kolar and Tumkur stands as representative districts as far as horticultural production is concerned. In all these four districts there is a well developed horticultural production and marketing network. Further HOPCOMS is very active in these four districts.

Method of Analysis

Primary data collected from bulk buyers are tabulated by constructing tables. The tabulated primary data is presented under the section ‘findings’ and interpreted.

Survey of Bulk Buyers in four districts

Table 1.1: Location of Bulk Buyers from the Society in Four Districts (In Kms)

Range of distance	Bangalore	Mysore	Tumkur	Kolar	Grant total
Below 2	-	03	03	02	08
2-4	-	03	02	02	07
4-6	05	02	02	02	11
6-8	01	02	-	02	05
8-10	03	-	02	02	07
Above 10	01	-	01	-	02
Total	10	10	10	10	40

Source : Field Survey (actual numbers are percentages to the total sample)

Table 1.1 shows the distance of bulk buyers from the society in four districts. About 50 percent of bulk buyers are located within 4 to 6 kilometers of the society. 30 percent of respondents are 8 to 10 kilometers away from the society. Ten percent of bulk buyers are located 6 to 8 and above 10 kilometers. From the above table it can be inferred that majority of the bulk buyers in four districts are located with 4 to 6 kilometers.

Table 1.2: Reasons for Buying F&V from Society in Four Districts

Reasons	Bangalore					Mysore					Tumkur					Kolar				
	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
Good quality	-	-	-	2	2	1	-	-	1	2	-	-	1	1	2	-	-	-	2	2
Contracted earlier	1	-	-	-	1	-	1	-	1	2	-	1	-	-	1	1	-	-	-	1
Reasonable prices	-	1	-	-	1	-	-	-	1	1	1	-	-	-	1	-	1	-	-	1
Easy terms of business	-	-	1	-	1	-	-	1	-	1	-	-	1	-	1	-	-	1	-	1
Supply of requires quality	1	-	-	-	1	-	-	1	-	1	-	-	-	1	1	-	-	-	1	1
Supply on credit basis	1	1	1	1	4	2	-	1	-	3	1	1	-	2	4	1	1	1	1	4
Total	3	2	2	3	10	3	1	3	3	10	2	2	2	4	10	2	2	2	4	10

Source : Field survey (findings)

Note 1 = Hotels, 2 = Factories, 3 = Hostels, 4 = Hostels, 5= Total

Table 1.2 summarized the reasons advanced by the bulk buyers for their preference to buy their requirements of fruits and vegetables from the society. It may be seen from the table that almost all the bulk buyers were unanimous in accepting the society for six major reasons. In Bangalore district bulk buyers were in irrespective percentages. Majority of bulk buyers saying that, the supply on credit basis was helpful to us and also no percent bulk buyers expressing their reasons towards good quality of fruits and vegetables.

In Mysore district, 30 percent of bulk buyers given reasons towards society was providing supply on credit basis and equally 20 percent of respondents saying reasons towards good quality and contracted earlier. Rest of them expressing their reasons towards reassemble prices, easy terms of business and supply of required quality. In case of Mysore district 40 percent of bulk buyers saying towards supply on credit basis, besides 20 percent of respondents expressing their views towards good quality. Even in Kolar district, same percentages in Tumkur district.

From the analysis it can be inferred that, 40 percent of respondents in three districts gives reason in supply on credit basis and equal percentages in all districts indicates good quality of fruits and vegetables.

Table 1. 3 Frequency of Purchase of F&V by Bulk Buyers in Four Districts

Frequency of purchase	Bangalore	Mysore	Tumkur	Kolar	Grand total
Regular	08	05	04	05	22
Special	01	02	02	02	07
Once a week	01	03	02	01	07
Fortnight	-	-	02	02	04
Total	10	10	10	10	40

Table 1.3 describes the frequency of purchase of bulk buyers in four districts. In case of Bangalore district 80 percent of bulk buyers purchase regularly. Ten percent of respondents were purchase once a week.

Table 1.4: Different Charges Include in Prices of F&V in Four Districts and Awareness Among Bulk Buyers

Types of charges	Bangalore	Mysore	Tumkur	Kolar	Grand total
Handling charges	05	04	02	03	14
Commission charges	01	02	04	02	09
Transportation charges	04	04	04	05	17
Total	10	10	10	10	40

Source : Field Survey

Table 1.4 shows the awareness of different charges included in the prices of the fruits and vegetables in four districts. This is because of the fact that the society charges the transportation cost to these bulk buyers. However, in case of Bangalore district, the transportation charges were high but met by the society itself. Equal percentages in both handling charges and commission charges were paid by the bulk buyers. In case of Mysore district equal percentages of handling and transportation charges were paid by the respondents. Only 20 percent of respondents were paying commission charges towards society.

Table 1.5 : Bulk Buyers Experience in Dealing with HOPCOMS in Four Districts

Range of years	Bangalore	Mysore	Tumkur	Kolar	Grand total
Below 5	01	02	05	05	13
5-10	05	03	01	04	13
11-15	04	04	4	01	13
Above 15	-	01	-	-	01
Total	10	10	10	10	40

Source : Field survey (Actual numbers are percentage to the total sample)

Table 1.5 reveals that the bulk buyers experience with HOPCOMS in four districts. In case of Bangalore district 50 percent of bulk buyers had experience of 5 to 10 years.

Table 1.6: Suggestions Offered by Bulk Buyers for Improvement of Society in Four Districts

Suggestions	Bangalore	Mysore	Tumkur	Kolar	Grand total
Fresh supply	03	02	04	02	11
Regular and timely supply	04	05	02	02	13
Concession for bulk buyers	01	01	01	02	05
Behavior of supplier	01	01	01	04	07
Transportation and distribution	01	01	02	-	04
Total	10	10	10	10	40

Source : Field survey

Summary of Findings

Karnataka is an important fruit and vegetable producing state in India. Marketing operations of fruits and vegetables is mainly undertaken by HOPCOMS. There is a wide gap between the price paid to the producer and the price paid by the consumer. Therefore, the establishment of organized operations of fruits and vegetables is necessary to benefit the producers, consumers, and bulk buyers.

A survey of opinions of the bulk buyers was carried out for the purpose. The study revealed that the society has expanded its operations by opening the more retail outlets and supply of horticultural produce in a large number, there by helping the producers by purchasing large quantities of their producer and supplying the same to the consumers and bulk buyers at reasonable prices. The society has been able to meet its obligations towards bulk buyers by eliminating some of the intermediaries in marketing of F&V.

Table 1.7: Profile of bulk buyers

Sl. No	Variables	Bangalore	%	Mysore	%	Tumkur	%	Kolar	%
1	Range of distance (in Kms)	4-6	50	2-4	60	Below 2	30	4-5	27
2	Reasons for buying of F&V	Supply on credit basis	40	Supply on credit basis	30	Supply on credit basis	40	Supply on credit basis	40
3	Frequency of purchase	Regular	80	Regular	50	Regular	40	Regular	50
4	Types of charges	Handling charges	50	Handling charges transportation charges	40	Commission charges transportation charges	40	Transportation charges	50
5	Experience with HOPCOMS	5-10	50	11-15	40	Below 5 yrs	50	Below 5 yrs	50
6	Suggestions	Regular and timely supply	40	Regular and timely supply	50	Fresh supply	40	Behavior of suppliers	40

Source : Field Survey (Findings)

Summary of Findings – Bulk Buyers

- Distribution of bulk buyers from the HOPCOMS

Most of the bulk buyers are within the easy reach of HOPCOMS outlets.

- **Reasons for buying of F&V from HOPCOMS**

The main reasons given by the bulk buyers for buying their requirements of F&V from the HOPCOMS is reasonable prices, easy terms of business, and supply of required quantity. Further, the bulk buyers have good rapport with HOPCOMS.

- **Frequency of Purchase**

As compared to individual consumers, the frequency of purchase in the case of bulk buyers is low.

- Types of charges (in addition to price)

HOPCOMS has the practice of adding certain charges like transportation and commission to the price charges to bulk buyers.

- **Bulk buyers experience with HOPCOMS**

Normally, bulk buyers have had more than 5 years of dealings with HOPCOMS.

SUGGESTIONS

After analyzing the operations of HOPCOMS for the last ten years and on the basis of survey bulk buyers HOPCOMS the following suggestion are made.

There is vast scope for increasing the production of horticultural crops in Karnataka. Horticultural crops are mostly raised by conventional methods. Farmer, have not been able to adopt latest technology in raising horticultural crop for want of inputs such as quality seeds and plants, expertise, credit facilities and more importantly remunerative prices. The financial assistance by banks is mainly utilized by large, small and marginal farmers are left to the mercy of money lenders.

Majority of the growers own below 5 acres of land holdings. These farmers are economically weak and face problem in transporting their produce. Therefore HOPCOMS must setup collection centers at Hobli or even village depending on the output.

HOPCOMS should develop capacity for purchasing by entire output supplies by the growers. At present the members have an option to supply to HOPCOMS. This option gives them the advantage of selling in the market if prices are higher.

There is need to develop an efficient transport system for quick procurement and distribution of produce. A computerized system can be used for this purpose.

Storage facilities as a scientific basis with facilities for grading and accurate weighting and packaging have to be created for bulk buyers.

HOPCOMS must develop modern methods of handling F&V. At present, lot of wastage is taking place owing poor handling and storage at outlets and warehouse.

Provide cold storage facilities to bulk buyers. HOPCOMS has to undertake a publicity campaign to increase the consumption of F&V. This could be a public service initiative. An increase in per capita consumption of F&V can have positive impact on rural economy.

Through proper marketing planning, HOPCOMS must ensure the availability all the F&V throughout the year.

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