

# An agribusiness approach on business management of fruit processing unit

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**SUMMARY :** The increase in the number of working women, growing income and rising middle class population has contributed to the demand side growth of processed fruits and vegetables. This study focuses on the backward and forward integration of fruit processing unit in Tamil Nadu. The data from management records, purchase books and trading account were obtained for a period of 9 years. The procurement model adopted by the unit is unique where in mango (Alphonso and Totapuri) is directly sourced from growers located in three districts namely Krishnagiri, Dharmapuri and Salem without entering into any contract farming arrangement. The processing factory has good reputation and a long term relationship with grower farmers. The company makes advance payments at the beginning of the season and the final settlement by way of open cheque to the mango suppliers so as to facilitate easy transaction. Further, the firm sells finished product (mango pulp) to eight major corporate directly which avoids middleman in marketing process. Firm is also involved in merchandize export through the above-mentioned buyers. The reasons attributed for the success of the firm are- direct raw mango procurement from the growers which has enhance their bonding direct marketing of mango pulp to corporate and capacity utilization by way of undertaking process on higher basis.

**Key Words :** Fruit processing unit, Business management, Agribusiness approach

**How to cite this paper :** Ashoka, N., Choudhary, Kuldeep and Gracy, C.P. (2012). An agribusiness approach on business management of fruit processing unit, *Internat. J. Proc. & Post Harvest Technol.*, 3 (1) : 49-53.

**Research chronicle :** Received : 10.02.2012; Sent for revision : 28.03.2012; Accepted : 18.04.2012

**F**ruits and vegetables are not only used for domestic consumption but also processing into various products (pulp, pickles, preserves sauces, jam, jelly squash, etc.,) but also certain quantities are exported in fresh and processed form, bringing much-needed foreign exchange to the country. India is third largest producer of agricultural commodities in the world after China and USA

## Fruits and vegetable processing:

It is estimated that nearly 35 to 40 per cent of the fruits

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and vegetable are wasted during picking, harvesting, packing, transportation, storage, marketing and consumption. Mango (*Mangifera indica*) is the most ancient among the tropical fruits and believed to have originated in the Indo – Burma region. India is the major mango producing country in the world with an annual production of 8.50 million tonnes from an area of one million hectares.

A detailed study of business management of mango processing unit, would be of immense use to know whether the private sector follow the sound management principles for their success. Keeping in view of these facts, an attempt was made to assess the management of mango processing unit in Tamil Nadu. The study aims to study the inbound (procurement) and outbound (marketing) logistics management of the firm.

## EXPERIMENTAL METHODS

The Paiyur Fruit Products Private Ltd. was purposively