



Identifying the major players in the rasin sub-sector and mapping the supply chain

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ABSTRACT

Raisin supply chain was analysed in Bijapur district of Karnataka and found that there was no efficient supply chain for raisin in the study area as there were some missing links between the players within the supply chain of raisin which have to be bridged for strengthening the supply chain. Raisin had a complex supply chain map as there were diversified players involved in the chain. In raisin supply chain, the major actors involved include input supplier, farmer, farmer cum processor, cold storage entrepreneur, trader, wholesaler, retailer, processor and consumer.

INTRODUCTION

A supply chain is a sequence of target-oriented combinations of production factors that create a marketable product from its conception to the final consumption. Raisin is the horticulture produce with a traditional marketing channel. In the traditional supply chain where the produce of several farmers is aggregated, there is no premium for quality produce. Hence, the farmer is not motivated to focus on quality issues. In recent years, with high private sector investment in processing, exports and retailing of horticultural produce, there is increasing emphasis on developing supply chains for quality produce. Quality specifications are important to meet the

requirements for processing and export market. Thus, there is a need to ensure compliance with quality by the farmer.

Most products change hands many times before they reach the final consumer. Input suppliers, producers, processors, wholesalers and retailers being the major stakeholders in the raisin supply chain, produce, transform, store and transfer or market the product, adding to its supply at each step in the process. The 'Supply Chain' refers to this range of activities that brings a product or a service from its conception to its end use in a particular industry. Value Chain Analysis (VCA) is a useful tool for working out how we can create the greatest possible

supply to our produce.

Grape is one of the important fruit crop grown in India. Grapes (*Vitis vinifera*) belong to the Vitaceae family. Cultivation of grapes is known as viticulture. Grape is the third most widely cultivated fruit after citrus and banana. Globally grapes production was 67,909 thousand tonnes during 2010 as per FAO data and grapes production contributes to about 16 per cent of the total fruit production. European Union takes the lead position in grapes production with Italy occupying the top position with 11.48 per cent followed by China with 10.73 per cent and USA with 9.93 per cent. India produces about 2.77 per cent (1,878 thousand tonnes) of the total world production during 2008. Maharashtra (75.33 %) is largest producer of grapes in the country. Maharashtra and Karnataka together contributes about 89.65 per cent of India's grapes production. Grapes are widely consumed as fresh fruit in India. It is also used for producing raisins, wine, juice, juice concentrate, squash, beverages, jams and marmalades.

Objective:

To map the stake holders in value chain of raisin and to identify the role played in value addition

MATERIAL AND METHODS

Descriptive research design was adopted for the study considering the nature and scope of the study. Multistage sampling technique (was adopted for of area), purposive sampling technique was used for stakeholders dealing with raisin were interviewed and snowball sampling (from one stakeholder, the other stakeholders were contacted) to collect information grape growers/processor, wholesalers, retailers was applied for selecting sample. The sample size was decided based on availability and constraints. The sample comprises of 45 farmer cum processor, 5 Cold Storage entrepreneur, 25 Wholesalers, 25 Retailers. The analysis of the data was done using Value chain analysis is a powerful tool to identify the key activities within the firm/ industry which form the value chain for that organization and have the potential of a sustainable competitive advantage for that firm / organization.

OBSERVATIONS AND ANALYSIS

Value chain participant are identified using generic

worksheet a cross function (Table 1). The functions of the participants are represented by blocking the cells of the table. The participant in value chain can perform more than one function. The following were identified in the raisin value chain sub-sectors.

Farmers :

Majority of the sample farmers were large in the category of size of with land holding of more than five acres and mostly involved in grape cultivation. The grape varieties cultivated by farmer are Thomson seedless variety is grown by 86.66 per cent of farmers in 115 acres and it is cultivated under 115 acres land, Sonaka is cultivated by 6.67 per cent of farmer in 7 acres, Monikchaman is cultivated by 4.44 per cent of farmers under 13 acres. So Thomason seedless is mostly grown in this study area because it is suitable for raisin preparation, selling price is more, even demand for fresh grape is more. The average yield is 15kg per acre, the average selling price of grape in 2011 and 2012 was Rs. 24.85 and Rs. 17.91 per kg. The famers reaped good yields and benefits in the year 2011 but current year *i.e.* 2012 they are facing problem that yield of grapes is more so that market arrival of grapes is surplus thus the decrease in price have been observed. Farmers usually convert the grapes into raisin because there is low demand for fresh grape in Bijapur district.

Input suppliers :

Input suppliers include the companies which provide chemical like potassium carbonate sulphur and oil required for raisin preparation, water supplier, farmer who provide grapes for raisin preparation, warehouse men and retailers who provides packing machine, cleaning machine. Labour are also input for value addition who does all activities like grading packing cleaning etc, even financial institute are considered because who provides credit for working capital.

Processors :

As mentioned above sample farmers are the only processors of fresh grapes into raisin. The farmers come to Bijapur for drying of grapes from Bagalkot and Belgaum for the reasons of high temperature of raisin which is suitable for raisin preparation, low labour cost, near to cold storage and near to market. The grapes are converted into raisin by three methods sun drying, oil

immersion and sulphur fumigation method No one of processor follow sun drying method because its crude method, they will do the drying, cleaning, sorting, grading and packing. They will pack the raisin as 150 kg per box. After conversion of raisin they would store in cold storage in Bijapur or Maharashtra when they get satisfied in selling price of raisin they would sell it in either Bijapur APMC market or upcountry market.

Transporters :

These functionaries are just involved in the transport business and are not involved in the raisin trade in any other way. By transportation place utility can be obtained and can gain more profit selling raisins all over the every part of country or world. However, the farmers and small wholesalers reported that they get market information through the truck drivers too.

Cold storage units :

After raisin preparation the farmers bring the raisin to cold storage, As advance Rs. 40-60 per cent of selling price of raisin is given by cold storage owner to the farmer after keeping raisin in the cold storage and this amount will be deducted after sales of raisin because delivery of raisin for the wholesalers is from the cold storage. Cold storage owner charge Rs. 350/tonne/month as storage cent for storing the raisin by the farmer. The respondents revealed that 100 per cent of farmers only store the raisin neither wholesalers nor retailers store in the cold storage. They maintain about 10° C. They also participate in auction of raisin in Bijapur APMC.

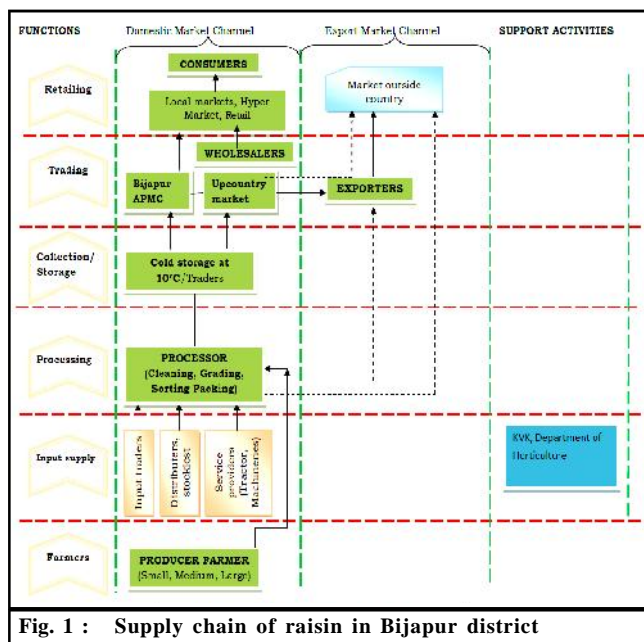


Fig. 1 : Supply chain of raisin in Bijapur district

Wholesalers :

Wholesalers in the market are those who purchases raisins in Bijapur APMC either directly, or participating in Bijapur APMC or upcountry market like Sangali, Tasgoau etc. Later they would sell to the secondary wholesaler, retailers or transport it to other cities in other states of India. The wholesaler would also sell in bulk to marriages, party and hotels etc. even wholesaler are considered as wholesalers.

Retailers :

Retailers are many in number in Bijapur district as

Table 1 : Generic worksheet crossing functions with participants to identify the actors in raisin sub-sector						
Functions	Participants/Stakeholders					
	Farmer as grape grower	Input supplier	Processor	Cold storage entrepreneur	Wholesalers	Retailer
Production						
Input supplying						
Processing						
Cleaning/Sorting						
Grading						
Packing						
Transporting						
Assembling						
Storing						
Wholesaling						
Retailing						
Export						

well as in Bangalore city; they act as facilitators in making the raisin available to consumer. The retailers do some packing according to the need of customers ranging from 50g, 100g, 250g, 500g, 1 kg etc. packet which is convenient to the customers to buy and use for household purpose for consumption.

Service providers :

The service providers like KVK and Department of Horticulture, Bijapur which provide services like technical support, guidance on processing, value addition and marketing of raisins. APMC Bijapur was providing space for marketing of raisin. Financial institute like banks and co-operatives are providing credit for various activities in 0 value addition of raisins.

Mapping value chain for raisin sub- sector :

The value chain is the diagrammatic representation of different value chain actors operating in the raisin sub-sector and flow of the produce in the chain (Fig. 1). The map is basically structured based on the data collected from value chain actors at the time of interview and also the information backed up the secondary information available. The key stages of value chain have been represented in left side of the map which is associated with the enterprises at each stage exactly to its right. The movement of the produce in the map is represented by using arrow marks and the skipped movement or flow of produce between two actors is represented using dotted line with arrow mark. In this raisin value chain map, support activities are also represented at the right handed side of the map which are the agencies extending support to the actors in carrying out the suitable functions. Table 1 shows the movement of the produce in domestic and export market is represented in the vertical channel and the actors in the channel are designated by hexagonal boxes

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