

A Study of Impact of COVID- 19 on the Fruit Processing Industry in the Ratnagiri District

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Abstract

Almost all sectors in the entire world have been affected due to Corona Virus Disease-2019. Numerous governments have created quarantine conditions to limit the spread of COVID-19, urging people to stay at home and leave their home only to meet basic needs such as purchasing food, medical emergencies, and to work. The national lockdown announced by the government in March has seriously affected rural India's lives and livelihoods. Fruit processing industry is one of the major industry in the Konkan region. Due to lockdown announced by Government fruit processing industry in the Ratnagiri district affected due to non-availability of material, labour, market, packaging material etc. Mango and other minor fruits like amala, jamun, black berry processing industry is playing significant role in the economic upliftment of the Konkan region by value addition of highly perishables, employment generation to the rural folk, earning foreign exchange through export etc. Due to constraints laid by Government, hotels, juice bar, cold drink house, bakery remain closed. As a result there was no market to the processed products in this period. It results in huge amount blocked in inventory. Fruit processing units in this resource region faced various problems. But due to COVID-19 outbreak, there has been a growing awareness among people about health. The demand for fruit juices is increasing as immunity booster in recent period. Across the globe the demand for fruit processed products with safety standards is increasing rapidly. To grab these opportunities it is need of time to formulate strategy to strengthen marketing of fruit products in the domestic as well as global market.

Keywords: Fruit Processing Industry, Impacts, Problems, Prospects, COVID-19

Introduction

Fruit processing industry in India is significant in terms of generating employment, income generation, poverty alleviation, export promotion and foreign exchange earnings. Therefore, fruit processing sector has been engaging the attention of planners and policymakers as it can contribute to economic development of rural population. Ratnagiri district is declared as horticulture district by the state government of Maharashtra. Fruit processing industry is one of the major industry in the Ratnagiri district. There are various problems faced by fruit processing units in the resource

region. Fruit processing in this region is quite profitable. Though Fruit Processing is a sunrise industry of Indian Economy, present processing level of 2 % is very low. The National Government Policy on food processing aims at increasing food processing level to the tune of 25 % by the year 2025.

While evaluating the problems of fruit processing units during the COVID- 19 period it was found that marketing of finished product due to lockdown was the major issue. Due to this the huge amount was blocked in inventory. Due to uncertainty in demand, non-availability of raw material ,labours and restriction laid down by Government, the production of fruit processing industry was lower. Almost all fruit processing industries have been operated at 30 to 40 percent capacity in the year 2020.

Due to COVID-19 people are becoming health conscious. As fruits are rich in vitamins and minerals, the demand for fruit juices is growing as immunity booster. According to the latest study of University of Florida Institute of Food and Agricultural Sciences (UF/IFAS) Food and Resource Economics Department, orange juice has becoming popular in the pandemic. There was 50.7% demand for orange juice was estimated in April 2020. In these challenging pandemic times, Dabur, one of India's major food & beverage industry leaders, has adopted a 'two-pronged strategy' for its juice sector. In Europe the COVID-19 outbreak has witnessed increased demand for pineapple juice. Therefore, Europe's fruit juice market witnessed steady growth by 2020. Further, many manufacturers of packed fruits juices manufacturers are reforming their strategies to set on rising of fruits juices consumption and thereby grab opportunity to enhanced focus on health and wellness. To grab these opportunities it is the need of time to formulate a suitable strategy by the policy makers for strengthening the infrastructural base, improved packaging, improving cold storage, campaigning abroad about the quality of products, development of efficient marketing network to optimize the export, setting up of quality control laboratories for better safety and hygienic products. The efforts need to be made to intensify export promotion to major markets and explore new markets for export. Fruit processing industry in this region has bright future due to increasing demand to the fruit processed products in the domestic as well as global market. On this background the researcher has finalized the research topic as -

“An Evaluation of Influence of COVID- 19 on the Fruit Processing Industry in the Ratnagiri District”

Objectives of the study

- 1.To take an overview of fruit processing industry in India in general and Ratnagiri district in particular.
- 2.To evaluate impact of COVID -19 on fruit processing industry in Ratnagiri district.
- 3.To evaluate problems of fruit processing industry in the pandemic period.
- 4.To explore prospect of fruit processing industry due to changing environment due to changes in consumption habits, attitude, consumer behavior, buying motives etc. due to COVID-19

• METHODOLOGY

This study is based on primary data and secondary data.

• Primary Data

Primary data was collected through survey method. For collection of primary data, a pre-tested structured interview schedule was used. In - depth interview techniques is used for data collection which was helpful to gather detailed and valuable information from personal interaction.

• **Secondary Data**

Secondary data was collected from Government records, related books, articles in journals, magazines, research works in various Universities and on the Internet.

• **Sample Design**

For the sampling purpose, the list of fruit processing units was obtained from District Industries Centers of the respective districts. Out of the total population, 10% of the fruit processing units was selected as a sample size. For selecting a proper representatives the criterion like chronological age, manufacturing ranges, level of marketing, area of location etc. was taken into account.

Result and Discussion

Table No. 1 Fruit Processing Industry in Ratnagiri District

No. of Fruit Processing Units	Functioning Units	Commodities processed
2,127	1,997	Mango, Cashew, Kokum

Source: Comprehensive District Agriculture Plan, Ratnagiri, 2012-13 to 2016-17

From the above table it shows that there are 1,997 functioning fruit processing units in Ratnagiri district.

Table No. 2 Fruit Production and Employment Generation

Description	2016-17		2017-18		2018-19	
	Cashew	Mango	Cashew	Mango	Cashew	Mango
Production (in 000 MT tons)	133.68	129.32	136.08	129.74	136.55	129.86
Employment	2,00,406	1,36,696	2,16,480	1,37,803	2,28,540	1,39,312

Source: District Superintendent Agricultural Officer

From the above table it indicates that fruit processing industry in this region is playing prominent role by processing increasing perishable fruits production.

Table No. 3 Classification of Factories on the Basis of Consumers in the Domestic Market

Sr. No.	CONSUMERS IN DOMESTIC MARKETS	No. of Units	Percentage to Total
I	Cold drink houses	120	92.30
Ii	Bakery and Bazaars	60	46.15
Iii	Hotel & Restaurants	70	53.85
Iv	Grocery stores	40	30.77
V	Ice-cream parlors	120	92.30

Vi	Direct marketing to consumers through retail shops and showroom	60	46.15
Vii	Dairy business	30	23.08
Viii	Juice Bars	120	92.30
Ix	Domestic consumers	70	53.85

Mango pulp and cashew nuts are used as a raw material for preparation of mango ice-cream, mango juice, shrikhand, amrakhand, mango milkshakes. The proportion of direct consumption of the pulp by the domestic customers is very low. From the above table it is shown that in the consumers of mango processing units the share of cold drink house, ice-cream parlors, juice bars is very high i.e.92.30 % each. Along with Mumbai and Pune market, it is mainly sold in Jalgaon, Nagpur, Vidarbha, Jalana, Goa, Karnataka, Nasik market. The large scale units export above 80% of their products to the abroad. The remaining consumers consist bakery and bazaars, grocery stores, dairies domestic individual consumer etc. The marketing at state level is higher in the other segment of market. Due to Corona virus there was restrictions on the consumption of cold drinks and other cold products. It adversely affects demand of the fruit processed products.

Table No. 4
Problems of Fruit processing Industry during the COVID- 19 Era

Sr. No.	ASPECTS	No. of Units	% to total
1	Non-availability of raw material	90	69.23
	Seasonal and perishable nature	130	100
	With start of monsoon raw material become useless	130	100
2	Non – availability of labours	90	69.23
3	Lack of working capital	130	100
4	Lack of demand in the domestic market	130	100
5	Non – availability of packing material like tin	80	61.54
6	Non accessibility of the rural market	120	92.30
7	Lack of purchasing power	130	100
8	Lack of awareness/ loyalty of brand image	130	100
9	Pre-determination of prices with brokers	130	100
10	Idle fixed capital	130	100
11	High rate of commission	130	100
12	Seasonal production and consumption	120	92.30
13	Dominance of intermediaries	130	100
14	Inferior quality of the products	20	15.38
15	Lack of knowledge of incentive/ assistance for export	70	53.85
16	Lack of knowledge of export procedure	70	53.85
17	Lack of adequate quantity of the product	70	53.85
18	Non- confidence about fulfillment of international Quality & Hygienic Standard Norms	60	46.15

While selection of the reasons behind the non-availability of raw material in adequate scale all the entrepreneurs agreed that the raw material is not available for a long period due to its perishable and alternate crop bearing nature. More than 75% entrepreneurs agreed that post- harvest losses about 20-30 percent results heavy losses of raw material while 69.23% entrepreneurs opined that due to heavy consumption of fresh fruits and marketing of Alphanso mango in national as well as in the global market, there is problem of adequate raw material.

Table No.5 Expectation of the Factory Owners from the Government

Expectation of the Factory Owners from the Government		No. of Units	Percentage to Total
1	Storage facilities specifically cold storage	130	100
2	Testing laboratories	130	100
3	Training and education to entrepreneur	80	61.54
4	Infrastructural facilities	130	100
5	Rationalization of law	40	30.77
6	Other major processing facilities	--	--
7	Subsidy on purchase of vehicles for transportation	50	38.46
8	Availability of long term loan at a low interest rate	130	100
9	Availability of raw material at subsidized rate	50	38.46
10	Elimination of VAT	130	100

From the above Table it indicates that, almost all entrepreneurs expect from the governments the facilities like cold storage, controlled atmosphere storage, common quality testing laboratory, availability of long term loans at low interest rate, elimination of VAT and other infrastructural facilities on priority basis. purchase of vehicles as well as the raw material like sugar and mango fruits should be available at the required quantity at concessional rate etc. to overcome the constraints due to Corona virus.

Conclusions

- The geo-climatic conditions in this region are well suitable for horticulture development. Out of various horticultural crops Alphanso mango, cashew, kokum, coconut are important cash crops as it is a backbone of the economy of South Konkan region
- The fruit processing industry in this region plays significant role in processing perishable and seasonal fruits, by paying the remunerative prices to the growers at the time of distress sale due to glut production, by capital formation and generating direct as well as indirect employment. As fruit processing industry in this region is very dominant, it plays important role in increasing the standard of living of the masses.
- Fruit processing industry in this region is facing many problems due to lockdown and restrictions laid down by Government regarding operating the business. Non-availability of skilled labours, labour turnover, lack of adequate working capital, under utilization of fixed capital, lack of

awareness of Geographical Identification of Ratnagiri Alphonso mango, lack of market availability during the pandemic period, lack of purchasing power of consumers due to loss of employment, non-availability of tin material for packaging etc. are the major problems faced by fruit processing units in this region.

- There is bright future to fruit processing units in this region due to increasing production of fruits, increasing demand to fruit processed products due to increasing health consciousness among people etc.
- The demand for building common warehouse and cold storage facilities for Cashew and Mango in Ratnagiri district was highlighted by many processing units and farmers .
- In October 2018, the Alphonso mango from Sindhudurg and Ratnagiri received the Geographical Indication (GI) tag, certifying that it has a specific geographical origin and possesses qualities or reputation that are due to the geographical origin. To aware about this workshops should be organized by Governments to get benefit to farmers and processors.
- COVID-19 pandemic have impacted the fruit processing industry by increasing the consumption of wide range of processed fruits like fruit juices and dry fruits. Quarantine and extended lockdown has impacted considerably in Europe, Americas and all over world and it has been created an opportunity due to their demand because of raised awareness regarding health and increased concern for maintaining immunity and thereby well-being of health.
- Fruit processors opinioned that Government should assist to the fruit processor to overcome the problems faced by COVID-19 by supplying raw materials at subsidized rates, providing working capital without interest, to assist purchase delivery vans, by waiving interest on loans etc.

In spite of various strength factors, fruit processing industry cannot grab the opportunities due to various constraints. If the attitude of the fruits processors is changed positively, they can improve capabilities and exploit the opportunities collectively by overcoming various constraints. It will be helpful for better and faster growth of the fruit processing industry in this region.

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