

MARKETING OF FRUITS TO THE TOTAL DISADVANTAGE OF FARMER AND RUINATION OF GROWERS

(Artificially created fruit price crisis, after cotton price crisis)

**BY
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The crisis of cotton prices, artificially created in 1999 year forced the farmers to sell it at Rs.300-400 per mound, at half the price fixed by the Government this year. It ruined all cotton growers in Sindh and the Southern Punjab. Now it is a turn of fruits. Mango is being bought in the fruit markets at less than Rs.6 per kilogram. This price includes Rs.2.50 per kilogram the cost of harvesting, packaging, transporting and commission of the fruit market agents, giving the farmer Rs.3.50 per kilogram. His annual inputs for raising mango from the end of last year's harvest to the beginning of this year's harvest is Rs.5 per kilogram. Thus he spent a total of Rs.7.50 per kilogram to bring it to the market. With a net amount of Rs.3.50 per kilogram in his pocket from the market commission agent, he is supposed to raise fruit in year 2001. Retail price of mango is Rs.25-30 per kilogram, of which, the farmer is paid Rs.6.00 per kilogram and the rest Rs.19-24 is the profit shared between the commission agents and distributors or Mashakhors and the retailers.

The same is the case with all other fruits. The peaches of NWFP and Baluchistan are being bought at Rs.8-10 per kilogram and sold at Rs.50-60 per kilogram. Of the amount paid to the farmer, his expenses on harvesting, packaging, transporting and the agents commission come to Rs.7 per kilogram and he gets Rs.2 to 3 per kilogram from the market, though his annual expenses on raising fruits up to harvest is Rs.5 per kilogram. Thus he loses Rs.2 to 3 per kilogram on peaches and the only way left for him to uproot the trees and grow some other crops.

The market is controlled by commission agents and their sub-agents called mashakhors, who jointly fix the next day's prices of fruit every evening. Fruit is not auctioned in 5-10 box lots but is auctioned in lots of 50 or more and this automatically eliminates retailer from buying the fruit as he is no position to buy more than 5 boxes of the fruit same day. There are sub-agents of commission agents called mashakhors, who buy in big lots of 50 to 100 boxes and distribute among the retailers. The mashakhors and commission agents are just one party and thus the open auction is only a drama. Many of the commission agents

employees also participate in bidding and thus the fruit is re-bought by commission agents and sold to retailers.

This way the farmer is getting only 20% of gross sale or less. The retailers get about 15% and the rest 65% goes to commission agents and their mashakhors. This year commission agents are paying an average of Rs.100 for good quality mangoes and the retailer is selling it at Rs.400 to Rs.480 per box, whereas last year, the same quality Siroli mango, at this time of year was fetching the farmers twice as much.

The fruit commission agents all over Pakistan fix fruit rates every day jointly. Many of them are exporters of fruits. A number of them have shops in Dubai. A number of trawlers and small ships carry fruit to Dubai every day to the shops of these commission agents there, where from it is distributed to other countries. Purpose of fixing low prices is to get fruit very cheap to Dubai. At this time more fruit goes out by ships than is consumed in Karachi. It is well known that most of this foreign exchange earned this way does not return to Pakistan. Thus there is no argument about earning the foreign exchange for Pakistan.

The farmer is paying more than a dozen types of taxes namely; usher, water rate, land revenue, local fund, mosque fund, income tax and many others. He pays fully for farm chemical and fertilizers, which are adulterated heavily and he has to apply extra doses to meet the crop requirement. His water supply for irrigating the land is being reduced year after year. In 1999 he was forced to accept low prices for cotton which did not meet even his expenses. This year his yield of fruits is going to be low due to water shortage.

The Government must see to it that farmer get 75% of the amount of retail price, of which he pays agents commission and all intermediaries and retailers get balance 25%. With 150,000 acres under mango crop in Sindh and an average yield of 3.6 tons of mango per acre, the Sindh farmer is going to be deprived of Rs.4 billions a year. The same will be the case in the Punjab. More will be loss to other fruit growers too. Fruit is grown in all Provinces and Azad Kashmir and every grower is going to suffer. Climatically the whole Pakistan is suitable for all kinds of value added crops like fruits, vegetables, flowers, herbs and medicinal plants. This is positive advantage of climate in Pakistan. In the past 50 years government emphasized on wheat and cotton. Fruits are out-come of individuals initiatives. Due to losses from cotton in 1999 the area under cotton in Sindh will be reduced too much. With this attitude of exporter-commission agents the farmers are going to be discouraged and area under fruits is going to be reduced year after year as incentive has been crushed. Self sufficiency in food is going to be a dream even in future. In no country of the world has farmer been made so helpless and consequences are going to be chaotic.

It is suggested that the present administration under Government of Sindh and Government of Pakistan should intervene into this matter without delay as issue of fruit prices could be settled at 75% of retail prices to the farmer.