

ROLE OF TERMINAL MARKET IN FRESH FRUIT EXPORT

By

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Research**

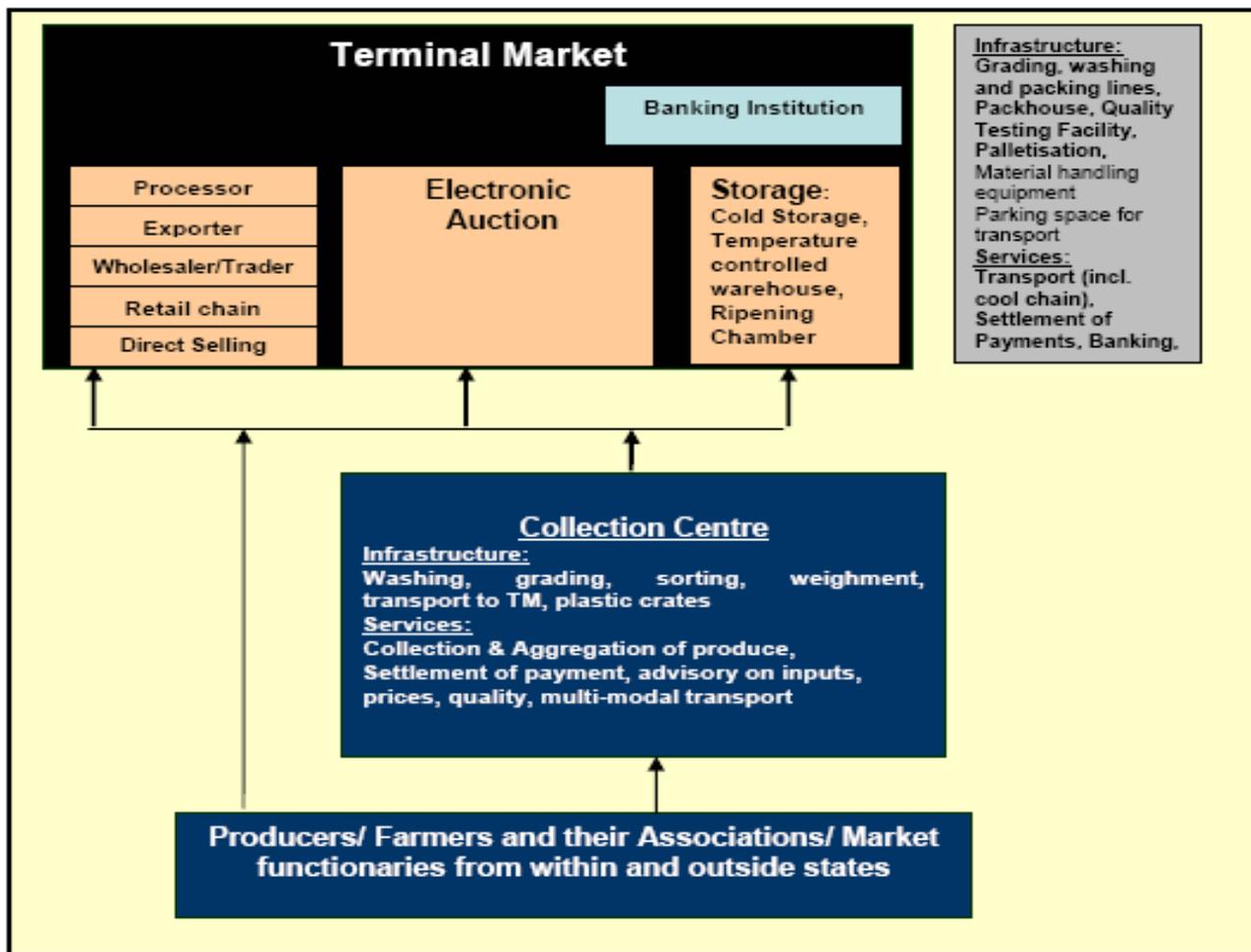
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What is a Terminal Market

Terminal Market is a central site, often in a metropolitan area, that serves as an assembly and trading place for agricultural commodities.... (US House Committee on Agriculture)

Here produce is either finally disposed off to the consumers or processors or assembled for export.



Role of the Private Enterprise

- The enterprise to provide infrastructure facilities and services in the 'Hub-and –Spoke' Format
- The Terminal Market (the hub) linked to a number of collection centers (the spokes).
- The Collection Centers located at key production centers to
- The enterprise could provide additional facilities

Role of the Private Enterprise

- Option to deal in non perishable commodities
- Freedom to buy the commodities from the farmer directly or through the TM/ CC
- To facilitate the farmers in making direct supply to processing units, retail chain and exports, at their choice
- To provide advisory services to farmers on inputs, prices, quality, multi-model transport and exports

Role of the Private Enterprise

- Farmers to be free to sell their produce either through the CC/ TM or the TM directly or to any other marketing channel
- To promote Farmers' Associations and progressively involve them in the operation and management of the CCs
- To be responsible for the acquisition of land for setting up of the TM and the CCs

Role of the Private Enterprise

- Free to collect user charges from market participants and producers
- The charges should, however, not exceed a reasonable limit, say 2% of the value of the produce.
- Free to collect taxes, duties, fees (including market fees) etc. from the market users.

Role of the State Government

- **Approval of the bidding process and implementation modalities of the project**
- **Technical appraisal and approval of the detailed project report (DPR) of the complex**
- **Approval of the number and location of the terminal market complexes**

Role of the State Government

- **Regulatory Clearances, issue of licenses and granting of permission**
- **Identification of land and, if necessary, provision of Government land**
- **Convergence with other development programmes such as road connectivity, power and water supply**

Role of the State Government

- **Could participate in the project equity**
- **Selection of private enterprise through open & transparent process.**
- **Make recommendations to Central agencies for the release of Central equity and for its redemption and allocation to farmers' associations doing business with the TM complex.**

Role of the State Government

- **Make recommendations to Central agencies for the release of Central equity and for its redemption and allocation to farmers' associations doing business with the TM complex.**
- **Set up institutional mechanism for resolution of disputes, if any**

Role of the Central Government

- **Central Government (SFAC) would provide equity assistance**
- **SFAC/ State participating in equity capital will retain option to allocate on redemption, its equity in favour of farmers organizations feeding business to the market complex.**
- **Assist the State governments in fixation of throughput per day and yearly handling capacity of the terminal market complex.**

Mumbai Terminal Market

- to cater to around 30 % fruits and vegetable needs of Mumbai city
- backward integration (to farmers and production centers) and forward integration (to distribution centers and retail outlets)
- modern post harvest management and marketing infrastructure

Mumbai Terminal Market

- Total cost of the project estimated at Rs. 250 crores (US \$ 55 million)
- State's contribution will be limited to providing of required land
- funds expected to come from Private entrepreneurs and farmer's cooperatives

Mumbai Terminal Market

Terminal Terminal Market to handle around 3,50,000 – 7,00,000 MT annually of pre-sorted, graded, quality horticultural produce from a number of Collection Centers spread across key production areas.

Mumbai Terminal Market

- **No service charges, fewer intermediates, less handling, better and modern infrastructure**
- **Better produce quality, better storability and efficient marketing**
- **Farmers can expect better price realization for their produce**
- **Terminal Market to act as a competition and extract better service and efficiency from traditional markets**

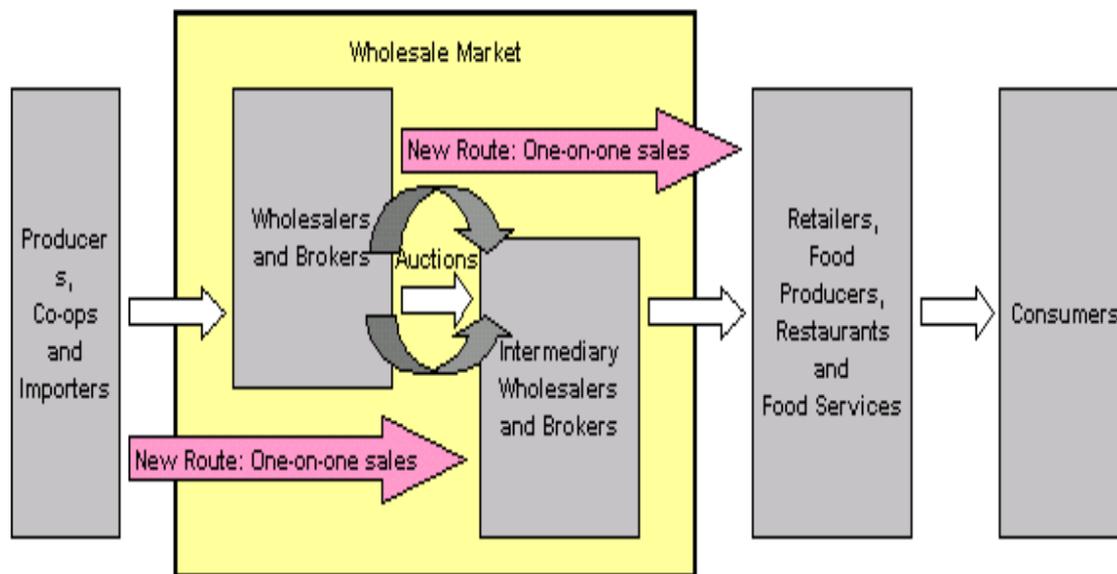
Japan's Wholesale Sector

- 86 central markets and 1,351 local markets in 2002
- Wholesalers operating in these markets sell to retailers and intermediate wholesalers, the latter by auction
- Wholesale Market Law amended in June 2004 allowing third-party and direct sales
- In third-party sales, wholesalers sell goods directly to retailers without the involvement of intermediate wholesalers

Japan's Wholesale Sector

- Another change is the deregulation of wholesale commissions, to take place in April 2009
- Commission rates to be set in accordance with the specific functions and services of wholesalers in particular fields
- Dividing line between wholesalers and intermediate wholesalers will effectively vanish

Japan's Wholesale Sector



Recommendations

- 1. National Governments in the Asian and Pacific region must undertake the marketing reforms in tune with the globally compatible technologies and policies so as to minimize the losses in the value chain and to benefit the stakeholders.**

Recommendations

2. The countries in the Asian and Pacific region may enter into collaborations to bring about complimentarity in terms of food quality and safety.

Recommendations

3. The countries may also collaborate in terms of infrastructure and human resource development for sustainable agricultural progress in the region.

Recommendations

4. APCAEM may offer to play the pro-active role in this process of regional agricultural reforms.

THANK YOU