

Title Supply chains and chain coordination mechanisms for fresh fruits: a case study of Mumbai city, India

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Abstract

This study was carried out for six selected fruits to identify the supply chains that emerge from the Mumbai wholesale market, chain partners' concerns, how they coordinate and what they gain from it. The study revealed that the wholesale fruit market in the city constitutes a strategic link between the upstream and downstream chain partners in fresh fruit distribution. Fresh fruit flows from the farm to the wholesale market through several different market players that are product and area specific. Fruit suppliers from different regions and imports prolong the seasonality for apples and grapes; bananas, sweet lime and papayas are available throughout the year; while mangoes are primarily available during the post-harvest period. For the local distribution of selected fruit, three downstream supply chains emerge: retail (the majority), food service and processing. Market agents at each level in the supply chains have forged alliances with their upstream and downstream chain partners to cope with market imperfections and transactions under uncertainty because of the perishable product nature. Vertical coordination for the organized sub segment (food service) is based upon contractual arrangements, whereas for the unorganized segments of food service (retail and processing), it is based upon verbal and mutually understood arrangements. The major thrust of the chain partners at each level of the supply chain is to maintain a regular flow of the products they handle at competitive prices.