Vegetables Distribution Channel Problems and Solutions in Heilongjiang

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Abstract: Heilongjiang Province’s vegetables exposed many problems in the distribution channel due to various factors in recent years. Vegetable industry has a depth development of a series of negative effects in Heilongjiang Province. This article use Heilongjiang Province’s vegetables distribution channels as the research object, with the yearbook of Heilongjiang Province, Agricultural Resources Committee’s information and field survey for the data source. Comprehensive use of comparative analysis method and combining quantitative analysis and qualitative analysis method, analysis the vegetable production, marketing conditions and several existing models of vegetables distribution channels in Heilongjiang Province. Summarized vegetables distribution channel Problems in Heilongjiang Province, then puts the recommendations of vegetables distribution channels, for solve Three Rural Issues provide a scientific reference in future.

Keywords: Heilongjiang, vegetables, distribution channels

1 Introduction

Since the reform and opening up in Heilongjiang Province, it has been the implementation of the "Vegetable Basket Project" as an entry point of meet the needs of urban and rural consumption, increase farmers income and advantages of building a new rural economic development. Vigorously develop economic basket achieved more than the total supply. Radically change the “vegetable basket” long-term shortage of products, Heilongjiang Province is also transferred from the basket products into a transfer out of province. Promote agricultural efficiency, rural incomes and rural economic development. In recent years, scholars abroad to study from a marketing point of view, more scholars believe that marketing should contain the following four elements: correlation, response, relationships, and return. Stress in the channel relationship marketing strategy, that any company should be established with the customer long-term, stable and close relationship to reduce customer turnover rate. It also establish customer database to conduct database marketing, which reduces marketing costs. The scholars in the vegetable theory of distribution channels research still little. Especially for areas of Heilongjiang Province of vegetables is the lack of distribution channels. This article use Heilongjiang Province’s vegetables distribution channels as the research object, from vegetable production and marketing in Heilongjiang Province as well as the existing distribution channels model to point of view in-depth analysis. We based on comparative analysis of existing data and constructed the circuit diagram from producer to consumer in distribution channel. According to Heilongjiang Province, we summed up the actual situation with existing problems. Optimization for the concrete operation of vegetables distribution channels and provide scientific and reasonable proposal further for the government departments of Heilongjiang Province.

2 The Status of Vegetable Distribution Channels of Heilongjiang Province

Methodology

2.1 Vegetable production and marketing conditions in Heilongjiang Province

(1) Status of Vegetable Production in Heilongjiang Province
Vegetable production reached 10.579 million tons in Heilongjiang Province in 2008, the per capita property of vegetables is 279 kg, increased 15% than the "Eighth Five-Year" period.

(2) Vegetable sales in Heilongjiang Province
Vegetables are sold in 27 provinces (cities, districts) and exports to 10 countries and regions in Heilongjiang Province. It sales of 2.838 million tons and exports 373,000 tons of vegetables in 2008. To face the Russian Far East’s serious shortage of food, Heilongjiang Province and Russia to play with more than 3400 kilometers of the border, ports in 25 countries the advantages of a class, actively develop the export trade to Russia of vegetables. Fruit and vegetable varieties have been exported to Russia from” August five period” end of the 10 developed into more than 30.

<table>
<thead>
<tr>
<th>Table 1: Vegetable production in Heilongjiang Province</th>
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<tr>
<td>Unit:10,000tons</td>
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<tr>
<td>Cabbage</td>
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<td>Cucumber</td>
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<td>Radish</td>
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<td>Output</td>
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Source: "2009 Statistical Yearbook of Heilongjiang Province"

Figure 1: Vegetable production in Heilongjiang Province

2.2 The current mode of vegetables distribution channels in Heilongjiang Province
From the figure, Heilongjiang Province has a very complicated vegetables distribution channels. There are several forms of:

Figure 2: Heilongjiang vegetables distribution channels route map
(1) Zero-level channels: Producer - Consumer. The most common is the suburbs, small towns vegetable stalls to sell vegetables on their own furnishings. There are a small percentage of vegetable production base of supply directly to the authorities;
(2) A layer of channels: Producer - retailers - consumers. Traders often purchase from the producer to the farmers in market after the sale. But this ratio is not high at present, because retailers have certain requirements in species diversity, and a one of the vegetable is difficult to provide enough variety;
(3) Two-story channels: Producer - Origin wholesale market or sell to wholesale - retail;
(4) Three channels: through producing and selling vegetables wholesale to two entered the retail field, which is currently the most popular channels in Heilongjiang Province;
(5) Four or more multiple channels: through the wholesale vegetable, transit, retail and other intermediary was sent to the consumer.

3 The Problems of Vegetables Distribution Channels in Heilongjiang Province

3.1 Multi-channel links and distribution costs higher
About 50% of vegetable products need to go through the wholesale market and entered the retail field in Heilongjiang Province. Direct access to retail areas is only 20%, while 78.5% of U.S. agricultural products through the distribution center from the origin directly to retailers. Through sales to wholesalers are only 20%. The high prices of vegetables in Heilongjiang Province, in addition to weather, production costs and other factors. More of a factor is circulation. According to market research in November 2009, we use 1 kg of tomatoes as an example. Shandong Province’s average expenditure is 1.7 yuan. The average expenditure of residents in Heilongjiang Province is 2.5 yuan. Higher than 47% of Shandong Province; 18% higher than green pepper, celery.

![Figure 3: Comparison of circulation map](image)

20% is higher, pepper 54% higher. Compared with neighboring Jilin Province, the average consumption expenditure of residents of vegetables is also higher than 15% in Heilongjiang Province.

3.2 Channel upstream of the low degree of organization
As of 2009, the province registered a total of 1,486 farmer cooperatives. Increase in 1067 than the previous year, an increase of 3.34 times. The Shandong Province registered 26,000 farmer cooperatives, the members are 266,000. In accordance with the Ministry of Agriculture statistics, as of the end of September 2009, the National Farmer Cooperatives has reached 211,600, accounting for only 0.7% in Heilongjiang. Obviously the number of Heilongjiang farmer cooperatives and organization are low. Although the association has set up more than 70 kinds of vegetables in Heilongjiang Province, but the scale is not big enough, strong operational capability, and service failure. In addition, vegetable production in our province at this stage the social service system is not perfect, vegetable farmers are not control the information in a timely manner, lack of market certainty and predict, resulting in production of certain vegetables and blindness, sometimes has a relatively over-supply.
3.3 Channel leading members of the imperfect service system
Heilongjiang Province vegetable market circulation system is lag and the large-scale distribution center for vegetables is less. There are only 154 large wholesale markets of agricultural products, while Shandong Province has built up 505 large-scale farms. It is 3 times of Heilongjiang Province. There are 41 vegetables and fruit wholesale market in Heilongjiang Province. Except the agricultural distribution center in Heilongjiang and Russia, Hatta fruit vegetable wholesale market and other several large wholesale markets, remaining facilities were incomplete existence, function is not complete, the radius is small, not flexible marketing tool, lack of modern distribution, trading and other issues. In contrast, there are more specialized wholesale vegetable market in Japan, the price of fair competition, the configuration of hardware and software on the market are much better than China; U.S wholesale market is in the organization of production, bridging production and demand, business aspects of agricultural production and processing technologies features are also more complete.

3.4 Irrational investment structure
Over the years, the Government's investment in agricultural production is very obvious. But follow-up in the harvest processing of agricultural products processing is obviously inadequate input. In accordance with the experience in developed countries, effective distribution ratio of only 25% of the production processes, circulation 42%, 33% processing sectors. The vast majority of our province's vegetable origin is the initial state after picking the form of sales, commercial post-harvest processing of vegetables is only 1%, less than 20% of fresh storage, processing less than 10%. The national average is 25%, 50% of developed countries, the United States reached 70%. U.S residents take 3000-4000 hundreds million dollars annually in food expenditure, only 100 billion is used to pay the income of agricultural producers, and the remaining 3 / 4 of all flow into the food processing sector.

![Chart](image)

Figure 4: the proportion of vegetable processing comparison chart

3.5 Logistics low level reservoir in the lower ability
Heilongjiang province is lagging behind vegetable transport equipment, transport vehicles, the majority do not have the freshness and long-range transport capacity, resulting in vegetables during transport to greater losses. According to related statistics, the province in picking fruits and vegetables and other agricultural products, transportation, storage and other logistics link the loss rate is 25%-30%. About 1 / 4 of agricultural products in the logistics aspects has been consume, while the loss rate of fruits and vegetables in developed countries are controlled below 5%. The U.S. fruit and vegetable products has been in need of low-temperature post-harvest physiological state and the formation of a cold chain: Field harvest pre-cooling - Cold Storage - Refrigerated Vehicle Transport - Wholesale Point Cold Storage - supermarket refrigerator - consumer refrigerator, fruit and vegetable consumption in the logistics chain was only 1-2%. At present, the province is very limited storage facilities in winter vegetables, calibration is not high, lack of fresh storage capacity, the lack of large-scale temperature storage, vegetable storage varieties and small in scale, cabbage, carrots and some other matters relating to the formation of winter storage varieties do not store the scale.
4 Strengthen the Heilongjiang Vegetables Distribution Channel Suggestions

4.1 Encourage the wholesale market to the production and consumption for extension of the channel to minimize costs
Vegetable Channel system as the main part of the vegetable wholesale market at all levels should play resources advantage. To the consumption and production two-way extension, through the extension of its meaning, constantly strengthen its supply and demand in the market, price regulation, goods distribution, play an important role in promoting the integration process. At present, all levels of government is to adjust the structure of agricultural production, taking the local characteristics of the industrialization of the road, which extends for the wholesale market to the production base to provide a strong backing, at all levels of the wholesale market through capital investment, management, output, technical assistance etc. It will be producers and operators closely linked to the production, wholesale, processing, storage, preservation, transportation, and so better together.

4.2 Improve vegetable quality and establishment of information networks simultaneously and strengthen the competitiveness of the main channel upstream
First, we should organize the establishment of vegetable farmers Research. The second is to increase the intensity of training, sub-level technical extension workers better vegetables, farmers technician, science and technology take the lead in users and regular training of farmers, especially farmers should do a good job of training technicians and lead farmers. The third is to establish a comprehensive information network center vegetable market, including information transmission system, forecast information system, expert systems and scientific and technological information systems, use information systems to guide farmers get to market ability and to production of marketable products. Rely on information transmission system, timely and accurate understanding of domestic and international market information to help guide the development of vegetable wholesale market prices and the clear conclusion that the market supply and demand. Rely on forecasting information system to study the development trend of production and marketing of vegetables and vegetable varieties for major production and marketing situation, forecast, guidance for the development of programs throughout the scientific basis. Rely on expert systems and scientific and technological information system, in a timely manner to the production, processing, circulation and other links to provide technology information, and vegetable production and management problems encountered in the process to provide guidance by experts. At the same time to capture international business opportunities for the exporters to provide information access, and to facilitate the monitoring, inspection and quarantine work better with international practice.

4.3 Improve the market circulation and service systems
As Harbin, Qiqihar, Mudanjiang, Jiamusi and other big cities be main support, to become a new batch of vegetable wholesale market, so that can distribution of Heilongjiang Province. Then wholesale vegetable market will be more rational, market services will be more comprehensive and have more extensive radiation range. Develop modern marketing channels to develop vegetable auction market and the futures market, the development of direct sales, chain stores, online sales and distribution services, to establish a diversified market circulation system. In order to speed information service system, to make full use of agricultural information network, to establish and improve vegetable product of public information platform, timely release vegetable production, consumption, trade, certification and other related information and making our province vegetable industry policy advice, technical discussion market price forecasts, the main channel for information exchange.
4.4 Increasing support, to improve the investment structure
To enhance the development of vegetable industry organization and leadership, all part of the collaboration as soon as possible be "attention of the Government departments to support, social concern, to jointly promote the development of vegetable industry" situation. Introduction of new preferential policies in investment, project lending, investment, resource integration, investment environment, leading enterprises in the development of the vegetables, the market circulation system and service system to inclined. Vegetable production enterprises through asset restructuring and organizational restructuring, by means of merger, reorganization, joint and other further optimization of vegetable processing enterprises, processing enterprises to change the small, scattered, thick, thus enabling the processing capacity available to achieve the fullest use. Conducting feasibility studies, based on increased infrastructure investment, to expand its new plant and promote production and processing, preservation, storage and transport of synchronous development. Organization of production, scientific research, management joint research, development and promotion of vegetables as soon as possible post-harvest processing technology to change the province vegetable post harvest handling and processing enterprises transform the face of relatively weak technology. Then it will comprehensive loss rate lower fresh vegetables, promote post-harvest value-added vegetables, processing efficiency, and comprehensively improve the overall economic efficiency vegetable industry.

4.5 Strengthen the logistics infrastructure and vigorously support the transport organization vegetables
Heilongjiang Province initial success of rural road construction, built 14,000 km of rural roads, we should continue to strengthen the construction of rural roads, especially in remote mountainous areas and the economically backward western rural areas to improve the road network and capacity of access to ensure the smooth road transportation of agricultural products and the smooth flow of materials. On the other hand to strengthen the vegetable storage, transport tools, equipment development and production. In order to promote our province frozen vegetables, fresh logistics, reduce storage and transportation links in the loss rate, we must expand the production of refrigerated goods vehicles and operation of highways and not meet food safety standards of vehicles, to protect the quality of frozen goods. We should also enhance cold storage, cold storage, increase temperature control and moisture devices.

5 Summary
Change the face of a variety of vegetables distribution channels market in Heilongjiang Province. It has achieved a certain distribution channels development .For example, construction of vegetable wholesale market has begun to take shape, farmers increase the size of the market, and has been gradually standardized. Heilongjiang provincial government should be based on the inherent characteristics of vegetables and the geographical situation of Heilongjiang Province. On vegetables, integration and optimization of distribution channels, should change in government functions, services, distribution of vegetables and establish responsibility for the comprehensive development concept to guide the government to promote the diversification of advanced models . The sales of vegetables as well for rural industrial structure adjustment and increase their income, drive an important part of local economic development. Conscientiously strengthen leadership and to encourage positive development of agricultural technology associations, to meet the requirements of vegetable market. Strongly support the vegetable distribution organization, and clear the vegetables distribution channels. Unified planning, rational distribution, and constantly improve the grade of the market and further expanding vegetable products.

References