

VEGETABLE MARKETING-A CASE STUDY OF MARKETING OF VEGETABLES IN SOUTH GUJRAT

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Abstract

India is the second largest vegetables producer in the World next to China. The estimated area under vegetable crops in India is about 295million tones. Though the vegetable crops are known for their high profitability and high dietary values, little efforts have been made to improve the marketing system and its efficiency. Most of the marketing system and its efficiency Most of the marketing policy package was released in favour of relatively less perishable commodities like foodgrain, fiber and oilseeds crops. Marketing of perishable commodities have some special problems in relation to transportation facilities, high price spread and marketing cost, spoilage etc. This study, therefore, aimed to study the marketing cost, price spread, marketing efficiency and problems faced by the vegetable growers of South Gujrat.

Keywords: Marketing cost, margins, price spread, marketing efficiency, marketing problems

Introduction

Marketing is one of the important economic functions of society and proper marketing of agricultural produce is of greater importance in an agrarian economy. Marketing is a comprehensive term covering business activities involved at various stages in the flow of transferring products from the primary producer to the ultimate consumer. Agricultural marketing is a vital sub-factor of agriculture, which deserves as much attention as agriculture. Vegetable marketing is different from marketing of other agricultural commodities because of their high perishability, concentration of trade in few hands and a large number of producers.

Objectives

Keeping in view the present study was undertaken with the following objectives:

- To study the marketing cost, margins, price spread, marketing efficiency
- To analyse the marketing problems faced by the vegetable growers of South Gujrat

Methodology

South Gujrat, comprising four districts of the Gujrat state namely Bharuch, Surat, Valsad and dings districts and having about 25 per cent of the total area under vegetables of Gujrat and good irrigation and transportation facilities, was selected as the study area. Five major vegetable crops namely brinjal, tomato, cabbage, okra and cluster bean were studied. The list of vegetable growers of different villages adjoining Surat and Navsari vegetable markets is obtained. From the prepared list of vegetable growers, a sample of 40 growers for each vegetable crop was selected randomly

from 21 villages of Surat and Valsad district which have larger area under vegetables and represent the South Gujrat region. The data on cost of marketing were collected by survey method from the sample farmers and the price data were collected from the Surat and Navsari vegetable markets. The producer's share in consumer's rupee and marketing efficiency were measured by using the following formula

- Producer's share
= $\frac{\text{Price received by producer}}{\text{Retail Price}} \times 100$
- Acharya and Agawam's formula
Marketing efficiency (E) = $\frac{O}{I}$

Where,

O = output of marketing system (value of goods sold/retail price)

I = Input used in marketing process (Total marketing cost)

Results and Discussion Marketing Costs

The estimated marketing cost of important vegetable in Surat and Navsari markets are given in Table 1. The per quintal marketing cost of brinjal was Rs 67.13 in Surat market and Rs. 38.92 in Navsari market. Transportation cost (Rs. 27.07) was the major item for the produce sent to Surat market. Moreover it was nearly four times the transportation cost incurred in Navsari markets was observed to be commission charges which was Rs 16.69 and Rs 15.97/ to. respectively. This was followed by loading and unloading charges. Cost of packing and weighing at Surat market were nearly double than that in Navsari market.

The per quintal marketing cost of tomato was Rs. 73.23 in Surat and Rs. 43.39 in Navsari market. Important items of marketing cost were Transportation and commission charges. The per quintal cost of transportation was observed to be far higher in Surat market (Rs. 27.23) than that of Navsari market (Rs 5.30). The commission charges per quintal in both markets were nearly the same in Surat and Navsari market respectively. The cost of loading unloading and weighing were nearly double in Surat market than in Navsari market.

The marketing cost per quintal of cabbage were nearly double (Rs. 60.37) at Surat market as compared to Navsari market (30.94). Transportation cost per quintal was observed to be far more in Surat market (Rs. 23.17) than in Navsari market (Rs.3.19). The next important item of marketing cost was commission charges which accounted for Rs. 14.67 and Rs 12.79 per quintal in Surat and Navsari market. Cost of packing loading unloading and weighing were nearly double at Surat market as compared to Navsari market.

The per quintal cost of marketing of okra was nearly double in Surat market(Rs.90.24) as compared to that in Navsari market(Rs.46.98). The difference in commission charges incurred in both markets was found negligible. However, it accounted for 31.35 and 53.34 per cent to total cost in Surat market and Navsari market. The cost of packing loading-unloading and weighing observed to be three times higher in Surat market than that in Navsari market.

The per quintal cost of marketing of clusterbean was estimated at Rs. 98.73 and Rs. 50.38 at Surat and Navsari markets. Transportation cost (Rs.45.27) was the major item for the produce sent to Surat market which was extremely higher than in Navsari market (Rs.3.99).This was followed by

the commission charges which was nearly the same in both the markets. The costs of packing loading-unloading and weighing were observed to be higher in Surat market than the Navsari market.

The study shows that for all the vegetables, marketing costs in Surat market were considerably higher than in Navsari market. In Surat market cost of transportation has contributed the highest share to the total marketing cost whereas in Navsari market, the commission charges accounted for the largest share. The transportation charge was considerably higher in Surat market than in Navsari market, whereas the commission charged did not differ significantly. The lower cost of transportation in case of Navsari market was mainly due to negligible transportation cost incurred by the retailers because retail market was situated just near the wholesale market.

Marketing cost, margins, price spread and marketing efficiency are presented in table 2. It is revealed that the percentage of price received in price paid i.e. producer's share in consumer's rupee was more in case of all the vegetables, except cabbage, marketed at Navsari market than at Surat market. The producer's share were 60.77, 53.50, 38.14, 52.14, 52.49, and 60.38 per cent, respectively for brinjal, tomato, cabbage, okra, and cluster bean sold at Navsari market, while they were 42.60, 46.70, 43.82, 48.39, and 55.59 per cent for the respective vegetable sold at Surat. The cost and margins of intermediaries were more in case of sales at Surat market than in Navsari market. The proportion of total price spreads in Surat market varied from 44.41 per cent in case of clusterbean to 57.40 per cent in case of brinjal. In Navsari market magnitude of total price spread was comparatively lower for all the vegetable except cabbage.

The marketing efficiency worked out by using the Acharya and Agarwal's formula for both the markets indicates that Navsari market was more efficient than Surat market for marketing of tomato, cabbage, okra and clusterbean.

Marketing Problems

The results of opinion of survey conducted for 168 vegetable growers regarding the problem faced by them are given in Table 3. Out of 168 vegetable some have grown more than one crop. It could be seen from the table that about 23.81 per cent and 24.40 per cent respondents felt unavailability of transportation facilities and shortage of credit respectively. Spoilage and malpractices in weighing were indicated as a problem by 68.46 and 49.41 per cent of the sample farmers, while problems of under pricing and pricing not according to quality were not severe problems faced by the vegetable growers.

Conclusion

The results showed that marketing cost of vegetables under study was nearly double at Surat market than that of Navsari market. The major cost components were the transportation and commission charges. The marketing accounted for very high proportion of the price spread. The spoilage and malpractices in weighing were the major problems faced by the vegetable growers. Thus for improvement in the present state of vegetable marketing, there is need to make existing cooperative structure more competent and regulating the marketing operation to curb the marketing malpractices. Establishment of efficient transportation grid for speedy disposal of vegetables from remote area may be helpful in reducing the spoilage loss.

Table 1 Break up of Cost of Marketing of Major Vegetables in Surat and Navsari Markets.

Item of costs	Brinjal		Tomato		Cabbage		Okra		Clusterbean	
	Surat	Navsari	Surat	Navsari	Surat	Navsari	Surat	Navsari	Surat	Navsari
1	2	3	4	5	6	7	8	9	10	11
Packing	5.97	3.41	7.23	5.97	5.13	3.30	9.23	3.91	7.99	3.23
Transport	27.07	7.55	27.23	5.30	23.17	3.19	35.24	5.52	45.27	3.99
Loading-unloading	7.63	4.39	7.37	3.82	7.07	2.75	8.22	3.24	6.59	4.11
Weighing	2.43	1.20	2.66	1.02	2.37	1.00	2.34	0.86	1.73	1.00
Commission	16.69	15.97	20.85	20.68	14.67	12.79	28.29	25.06	29.19	29.13
Miscellaneous cost	7.32	6.40	7.89	6.60	7.96	7.91	6.92	8.38	7.96	8.92
Total marketing Cost	67.13	38.92	73.23	43.39	60.37	30.94	90.24	46.98	98.73	50.38

Table 2 Price spreads and Marketing Efficiency in Surat and Navsari vegetable Marketing

Particulars	Brinjal	Tomato	cabbage	Okra	Clusterbean
<u>Surat Market</u>					
Net price received by farmers	248.97	329.95	225.50	432.17	437.16
Total marketing cost	67.13	73.23	60.37	90.24	98.73
Total margins	268.24	303.28	228.73	370.63	250.59
Total price spread	335.37	376.51	289.10	460.87	349.32
Consumer price	584.34	706.46	514.60	893.04	786.48
Marketing efficiency	4.99	5.14	4.78	5.11	3.54
<u>Navsari market</u>					
Net price received by farmers	256.86	334.18	201.15	401.57	462.87
Total marketing cost	38.92	43.39	30.94	46.98	50.38
Total margins	126.95	247.01	295.27	316.48	253.36
Total price spread	165.87	290.40	326.21	362.46	303.74
Consumer Price	422.72	624.52	527.36	765.03	766.61
Marketing efficiency	4.26	6.69	10.54	7.72	6.03

Table 3 The marketing Problems Faced by Vegetable Growers in South Gujrat

S. No.	Particulars	No of Farmers faced the problems out of 168 farmers	Percentage %
1	Transportation facilities	40	23.81
2	Credit shortage of marketing	41	24.40
3	Spoilage	115	68.46
4	Under pricing of producer	22	13.10
5	Pricing not according to quality	20	11.91
6	Malpractices in weighing	83	49.41

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