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An economic analysis of price spread, producer's share in consumer's rupees and marketing efficiency of Redgram in Nalgonda district of Telangana

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Abstract

The study is an analysis of price spread, producer's share in consumer's rupee and marketing efficiency of Red gram in Telangana. The study was carried out in Nalgonda district of the state. A multistage sampling technique was employed to select the market functionaries from whom information were collected and analyzed. The data were collected using well structured questionnaires from three different marketing channels Channel-I: Producer-Consumer, Channel-II: Producer- Village merchant/Retailer-Consumer, Channel-III: Producer-Wholesaler/Commission agent-Retailer/Village merchant- Consumer. Then the data is analyzed using tabulation method along with statistical tool.

Keywords: Red gram, price spread, producer's share in consumer's rupee, marketing efficiency

Introduction

Red gram Botanical Name is *Cajanus cajan* (L.) Millsp, origin in Africa and Red gram is an important pulse crop in India. It is also known as Pigeon pea, Arhar and Tur. Red gram is mainly cultivated and consumed in developing countries of the world. This crop is widely grown in India. India is the largest producer and consumer of Red gram in the world. Red gram accounted for about 90 percent of the total production of pulses in the country during the year 2018-2019.

The progressive decline in per capita availability of pulses (51.1 g in 1971 to 52.9g in 2017 as against WHO recommendation 80gm/day) in India. This is attributed to steady marginalization of their cultivation in the wake of "Green Revolution" and growing population with assured supply of cereals at an affordable price. To make up this shortfall in supply and unprecedented population growth, about 22 million tones of pulses are required by 2012, which is expected to touch 28 million tons by 2020 and pulses consumption increased by year by year and this can be realized only by adopting more productive technologies along with aggressive developmental efforts and favorable Government policies. At present, In India, red gram was grown in 43 lakh. ha, with annual production of 4.25million tons and average productivity of 875 kg/ha during the year 2018-2019. Similarly in Telangana during the year 2018-19 area under red gram cultivation was 2.95 lakh ha with annual production 1.99 lakh tons and productivity up to 676 kg/ha (Division of Agriculture statistics, 2018-19).

Research Methodology

The study was conducted in Nalgonda district of Telangana which is one of the 31 districts of Telangana. Nalgonda district comprises of 31 blocks among that 2 blocks i.e, Nakrekal and Chityala blocks were selected for this study. From that 2 blocks 5% villages viz., nakrekal, nellibanda, chinnakaparth, pittampalle were selected. Out of these villages, nakrekal was selected as primary market and chinnakaparth was selected as secondary market purposely for the present study. All market functionaries bring their commodity for sales from different part of Nalgonda district. A list of all market functionaries of both primary and secondary market is prepared with the help of market head out of total market functionaries. Total market functionaries 10% market functionaries selected randomly from both market for present study this market functionaries will be considered for data collection regarding different marketing cost and other charges in different marketing channels. Price spread, producer's share in consumer's rupee and marketing efficiency were calculated.

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Result and Discussion

The study was conducted in Nalgonda district of Telangana. The necessary data were collected from the market functionaries in above mentioned district. The present chapter is going to tell about the results and discussion for various objectives. The chapter is arranged in different sub-sections according to objectives of the study.

- To work out price spread, producer's share in consumer's rupee and marketing efficiency in different existing marketing channel

Marketing channels

There are three marketing channels for the Red gram marketing in Nalgonda district given below

Channel-I: Producer-Consumer

Channel-II: Producer- Village merchant/Retailer- Consumer

Channel-III: Producer-Wholesaler/Commission agent-Retailer- Consumer

Comparison of total marketing cost, total marketing margin, price spread, producer share in consumer rupee (%) and marketing efficiency in three different channels

Table 1: Sample average for three different existing marketing channels

S. No	Particulars	Sample Average		
		Channel- I	Channel- II	Channel- III
1	Producer sale price to consumer	5675	5675	5675
2	Cost incurred by the producer			
I	Transportation cost	82.33(1.45)	82.33(1.34)	82.33(1.19)
ii	Packing cost	13(0.22)	13(0.21)	13(0.18)
iii	Packing material cost	19(0.33)	19(0.31)	19(0.27)
Iv	Market fee	28.66(0.50)	28.66(0.46)	28.66(0.41)
V	Loading and unloading charges	10(0.17)	10(0.16)	10(0.14)
Vi	Weighing charges	8(0.14)	9(0.14)	9(0.13)
3	Total cost(i-vi)	161(2.83)	162(2.65)	162(2.35)
4	Net price received by the producer	5514	5513	5513
5	Producer share in consumer rupee (%)	97.15		
6	Price spread	161		
7	Consumers paid price	5675(100)		
8	Marketing Efficiency	35.95		
9	Sale price of producer to village merchant/retailer		5675	
10	Cost incurred by the village merchant/Retailer			
I	Loading and unloading charges		15(0.24)	
ii	Carriage up to shop		21.33(0.34)	
iii	Weighing charges		15(0.24)	
Iv	Town charges		20(0.32)	
V	Transportation cost		85(1.39)	
Vi	Margin of village merchant/retailer		260(4.25)	
11	Total cost(i-vi)		428.33(7.01)	
12	Sale price of village merchant/retailer		6103.33	
13	Price spread		590.33	
14	Consumers paid price		6103.33(100)	
15	Producer share in consumer rupee%		90.32	
16	Marketing efficiency		10.34	
17	Sale price of producer to wholesaler/commission agent			5675
18	Cost incurred by the wholesaler			
I	Loading and unloading charges			10(0.14)
ii	Packing cost			15.33(0.22)
iii	Market fee			20.66(0.30)
Iv	Commission of wholesaler/commission agent			33(0.48)
Vi	Margin of wholesaler/commission agent			395(5.74)
19	Total cost(i-vi)			510(7.42)
20	Sale price of wholesaler/commission agent to retailer/village merchant			6185
21	Cost incurred by the retailer/village merchant			
I	Weighing charges			15(0.21)
ii	Loading and unloading charges			21.33(0.31)
li	Town charges			15(0.21)
Iv	Carriage up to shop			20(0.29)
V	Miscellaneous charges			23.33(0.32)
Vi	Margin of retailer/village merchant			590(8.58)
22	Total cost(i-vi)			685(9.97)
23	Sale price retailer/village merchant to consumers			6870
24	Price spread			1357
25	Consumers paid price			6870(100)
26	Producer share in consumer rupee (%)			80.24
27	Marketing efficiency			5.04

(Figures in the parentheses indicate the percentages)

Comparison of Price spread and producer share in consumer rupee and marketing efficiency in different marketing channels

Table 2: Price spread and marketing efficiency

S. No	Particulars	Channel –I	Channel- II	Channel –III
1	Total marketing cost	161	330.33	372
2	Total marketing margin	0	260	985
3	Price spread	161	590.33	1357
4	Producer share in consumer rupee (%)	97.15	90.32	80.24
5	Marketing Efficiency	35.95	10.34	5.04

Table no 4 explains about Price spread, producer share in consumer rupee and marketing efficiency in channel –I is 161, 97.15 and 35.95 respectively. Price spread, producer share in consumer rupee and marketing efficiency in channel –II is

590.33, 90.32 and 10.34 respectively. Price spread, producer share in consumer rupee and marketing efficiency in channel –III is 1357, 80.24 and 5.04 respectively.

Anova:								
Source	d. f.	S.S.	M.S.S.	F. Cal.	F. Tab. 5%	Result	S. Ed. (±)	C.D. at 5%
Size group	2	565468.13	282734.06	3.1611408	4.46	NS	244.186	504.001
Particular	4	900069.20	225017.30	2.5158319	3.84	NS	189.146	390.397
Error	8	715524.13	89440.52	-	-	-	-	-
TOTAL	14		-	-	-	-	-	-

In the above anova table, in due to size group degrees of freedom is 2, sum of squares is 565468.13, mean sum of squares is 282734.06, F. Calculated value is 3.1611408, F. tabulated value @ 5% is 4.46, result is non-significant, standard deviation is 244.186 and critical difference @ 5% is 504.001. In due to particulars, degrees of freedom is 4, sum of squares is 900069.20, mean sum of squares is 225017.30, F. Calculated value is 2.5158319, F. tabulated value is 43.84, result is non-significant, standard deviation is 189.146 and critical difference @ 5% is 390.397. In error, degrees of freedom is 8, sum of squares is 715524.13 and mean sum of squares is 89440.52.

Conclusion

It is observed that price spread and producer share in consumer rupee and marketing efficiency in different marketing channels reveals that net returns was high in regulated marketing channel and low in local market and producer share in consumer rupee was high in regulated market and most beneficial market and major constrain in regulated markets was less amount of markets and closes in February and that's they are less amount of farmers choose to sell local market with low returns. Among the three marketing channels identified in Nalgonda regulated market, the Channel-III, i.e. Producer-Wholesaler-Retailer-Consumer was found more popular in marketing of red gram. The prices of redgram have not influenced by the arrivals in Nalgonda market. The maximum prices of red gram were observed during the month of February. Thus, the sellers prefer these months for selling of red gram in Nalgonda market.

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