



E-ISSN: 2278-4136

P-ISSN: 2349-8234

www.phytojournal.com

JPP 2020; Sp 9(5): 618-620

Received: 27-07-2020

Accepted: 07-10-2020

Dhok AA

M.Sc. Student, Department of
Agricultural Economics,
Vasantrao Naik Marathwada
Krishi Vidyapeeth, Parbhani,
Maharashtra, India

Perke DS

Professor, Department of
Agricultural Economics,
Vasantrao Naik Marathwada
Krishi Vidyapeeth, Parbhani,
Maharashtra, India

Karanjalkar AP

M.Sc. Student, Department of
Agricultural Economics,
Vasantrao Naik Marathwada
Krishi Vidyapeeth, Parbhani,
Maharashtra, India

Economic analysis in marketing of turmeric in Sangli District

Dhok AA, Perke DS and Karanjalkar AP

Abstract

The present investigation was carried to know marketing channels and price spread of Turmeric in Sangli district of Maharashtra State. In the present study multistage sampling method were applied to collect the primary data from 60 turmeric growers from purposively selected study area for agricultural year 2015-16. Data were collected by using pre tested schedules with the help of personnel interviews of different marketing agencies like, producers, wholesalers, retailers etc. at various market places. The result of the present study revealed that, in the marketing of turmeric three marketing channels were identified, channel-I (producer – village trader - consumer), channel-II (producer – village trader – wholesaler - consumer), channel-III (producer- wholesaler- consumer). Producers share in consumer's rupee was highest in channel-I as compared to channel-II and channel-III. Marketing channel-I was found superior over channel-II and channel-III because channel-I had the highest producers share of 95.76 per cent and lowest price spread of Rs.169.72.

Keywords: Marketing, channels, cost, price spread, turmeric, sangli etc.

Introduction

India is popularly known as the "Spice Bowl of the World" as a wide variety of spices with premium quality is grown in the country since ancient times. In Vedas, as early as 6000 BC, scruples evidences are available regarding various spices, their properties and utility. Turmeric cultivation does occurs in India, China, Indonesia, Iran, Sri Lanka, Peru and Pakistan. India is leading country in the spices scenario and enjoy monopoly in the spices production because of suitable climatic condition. India is known as "Home of Spices" and "Spice bowl of the world". India is largest producer, consumer and exporter of turmeric in the world. Turmeric is grown only in 6% of the total area under spices and condiments in India. Maharashtra state in India ranks sixth in area under turmeric cultivation. The area under crop was 11000 hectare with a production of 45000 tonnes and productivity of 4.09 tonnes/hectare during 2015-16. In Maharashtra Sangli, Satara, Hingoli, Nanded, Parbhani are the major turmeric growing districts. It is one of the major crop in Sangli district. In Sangli the area under turmeric is 1500 hectares, where as production and productivity is 13000 tonnes and 8.6 tonnes/hectare, respectively in 2015-16.

Methodology

Multistage sampling design was used for selection of district, tehsils, villages and the turmeric growers. In first stage, Sangli district was selected purposively because turmeric is grown on large scale in the district. In second stage, two tehsils *viz.* Miraj and Palus were selected randomly. In Third stage, from each tehsil three villages were selected randomly. At the last stage, from each selected villages ten turmeric growers were selected randomly. Thus, from six villages, 60 turmeric growers were selected for the present study. Required data were collected by personal interview method with the help of specially designed schedule for the agricultural year 2015-16. The objectives of the study were completed by applying simple statistical tools like means, averages, percentage, ratio etc. Market cost and market margin were worked out from actual data collected from market intermediaries. Marketing cost incurred by producer was estimated from the data collected from selected cultivars for the present study. Marketing margin is estimated by calculating actual amount or net profit received by the different marketing agencies in the marketing process. Price spread is estimated by calculating the difference between price paid by the consumer and price received by the producer.

Producer share in consumer's rupee

It is estimated by calculating the ratio of net price received by producer to the price paid by consumer as follows,

Corresponding Author:**Dhok AA**

M.Sc. Student, Department of
Agricultural Economics,
Vasantrao Naik Marathwada
Krishi Vidyapeeth, Parbhani,
Maharashtra, India

$$PS = \frac{\text{Net price received by the producer}}{\text{Price paid by the consumer}} \times 100$$

Where,

PS = Producer's share in consumer's rupee

Results and Discussion

Present investigation was carried out to study the marketing of turmeric in Sangli district.

Marketing of turmeric in Sangli district of Maharashtra

Production, retention and marketed surplus of turmeric sold through different channels were studied and presented in Table 1. In the marketing of turmeric three marketing channels were identified channel-I producer – village trader - consumer, channel-II producer – village trader – wholesaler - consumer, channel-III producer- wholesaler- consumer. Production, retention and marketed surplus of turmeric sold through different channels were studied.

Table 1: Production, retention and marketed surplus of turmeric through different channels (q/farm)

S. No	Particular	Turmeric farm
1	Turmeric farm (ha)	1.30
2	Turmeric production (q)	206.58 (100)
3	Retention for home (q)	3.53 (1.71)
4	Marketed surplus in Channel-I (producer-village trader- consumer)	38.43 (18.60)
5	Marketed surplus in Channel-II (producer- village trader- wholesaler- consumer)	50.41 (24.40)
6	Marketed surplus in Channel-III (producer-wholesaler-consumer)	114.21 (55.29)
7	Total marketed surplus (4+5+6)	203.05 (98.29)

(Figures in parentheses indicate percentage to total)

At overall level, production of turmeric was obtained to be 206.58 quintals. It was observed that share of retention for home consumption was 3.53 per cent. Share of marketed surplus was 18.60%, 24.40% and 55.29% through channel-I, channel-II and channel-III respectively. Share of marketed surplus through channel-II was 24.40. Share of marketed surplus was 55.29 per cent through channel-III, which indicates that maximum produce was sold through channel-III, followed by channel-II and Channel-I. Similar results were found by Khose *et al.* (2014) [5] and Das and Sarkar (2007) [1]. Per quintal marketing cost, margin and price spread in turmeric marketing through three marketing channels were estimated and presented in Table 2. The marketing cost incurred by producer in channel-III was highest Rs.144.4 as compared to channel-I and channel-II Rs.69.72 and Rs.73.72, respectively. Per quintal marketing cost by village trader was calculated. Cost incurred by village trader was found to be Rs 66.47 per quintal and 69.97 in channel-I and channel-II, respectively. Cost of marketing incurred by wholesaler was

calculated. The results revealed that cost incurred by wholesaler was Rs.73.05 per quintal in channel-II and Rs.81.64 per quintal in channel-III. In channel-I price received by producer from village trader was Rs.3850 while cost incurred by producer was Rs.69.72 and hence net price received by producer was Rs.3780.28. In channel-I producer's share in consumer's rupee was found to be 95.70 per cent. Price spread in Channel-I was found to be Rs.169.72. In regard to channel-II, price received by producer from village trader was Rs.3750 while cost incurred by producer was Rs.73.72 and hence net price received by producer was Rs.3676.28. The cost incurred by village trader and margin of village trader was Rs.69.97 and Rs.30.03, respectively. Price paid by wholesaler to village trader was Rs.3850 and cost incurred by wholesaler was Rs.73.05 and margin of wholesaler was Rs.26.95. Price spread was found to be Rs.273.72. In channel-II producer share's in consumer's rupee was found to be 93.07 per cent.

Table 2: Price spread in turmeric marketing (Rs/qt)

S. No.	Particular	Channel-I	Channel-II	Channel-III
1.	Net Price received by producer (Producer's share in consumer rupee)	3780.28 (95.70)	3676.28 (93.07)	3655.60 (92.55)
2.	Cost incurred by producer	69.72 (1.77)	73.72 (1.87)	144.4 (3.66)
3.	Price paid by village trader	3850 (97.47)	3750 (94.94)	-
4.	Cost incurred by village trader	66.47 (1.68)	69.97 (1.77)	-
5.	Margin of the village trader	33.53 (0.85)	30.03 (0.76)	-
6.	Price paid by wholesaler	-	3850 (97.47)	3800 (96.20)
7.	Cost incurred by wholesaler	-	73.05 (1.85)	81.64 (2.07)
8.	Margin of wholesaler	-	26.95 (0.68)	68.36 (1.73)
9.	Price paid by consumer	3950 (100)	3950 (100)	3950 (100)
10.	Total Marketing cost	136.19	216.74	226.04
11.	Total Market margin	33.53	56.98	68.36
12.	Price spread	169.72 (4.30)	273.72 (6.93)	294.4 (7.45)

In regard to channel-III, price received by producer from wholesaler was Rs.3800 and price received by wholesaler from consumer was Rs.3950. Cost incurred by producer was Rs.144.4 and net price received by producer was Rs.3655.60. The cost incurred by wholesaler and margin of wholesaler was Rs.81.64 and Rs.68.36, respectively. Thus price spread was to be Rs.294.4. In channel-III, producer share's in consumer's rupee was found to be 92.55 per cent. Price

spread was higher in channel-III as compared to channel-I and channel-II. Similar results were found by Mane 2011 [7], Ghumatkar 2003 [2] and Kamble 2003 [4].

Producers share in consumers rupee was highest in channel-I i.e 95.70 per cent as compared to channel-II (93.07 per cent) and channel-III (92.55 per cent). Hence marketing channel-I is superior over channel-II and channel-III because channel-I

had the highest producers share of 95.76 per cent and lowest price spread of Rs.169.72.

Conclusion

From the above study it was concluded that in the marketing of turmeric three marketing channels were identified and production, retention with marketed surplus of turmeric sold through different channels were studied. In case of price spread, it was higher in channel-III as compare to channel-I and channel-II. Producers share in consumers rupee was highest in channel-I i.e 95.70 per cent as compared to channel-II (93.07 per cent) and channel-III (92.55 per cent). Hence marketing channel-I is superior over channel-II and channel-III because channel-I had the highest producers share of 95.76 per cent and lowest price spread of Rs.169.72.

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