

# Work Out the Marketing Cost, Marketing Margin and Price Spread under Selected Marketing Channels for Pigeon Pea in Bundelkhand Zone

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## Abstract

Field pea is one of the important Rabi pulse crop belong to the family fabaceae and botanically knows as *Pisum Sativum*. Pea grown all over the world and area about 1190372 hectare producing 8924951 mt. (according to Ministry of Agriculture Government of India 2015-16). In India field pea is grown over an area of 313.50 thousand hectare with a production of about 2560.00 thousand mt with a productivity of 8.2 quintal per hectare. Uttar Pradesh is the major field pea growing state. Uttar Pradesh alone produce about 60 per cent of total pea production in India. Besides, Uttar Pradesh, Madhya Pradesh and Bihar are the major field pea producing states. In Uttar Pradesh Pea is grown all over an area of 53.85 thousand hectare with production of about 534.06 thousand metric tonnes. and productivity 9.91 quintal per hectare, (according to Ministry of Agriculture, Government of India 2015-16). The marketing channels for field pea are rather complex in the sense that they involve several stages of processing before it changed to the final consumable form. The channels involved certain amount of marketing cost and marketing margins. There are various marketing channels for calculating marketing margin, marketing producers share and Price spread in which we found the following results Producer's share 85.80% in consumer's paid price in channel I. Producer's share 81.94% in consumer's paid price in channel II. Price spread up to 14.2 in channel I. Price spread up to 18.06 in channel II.

**Keyword:** marketing channels, margins, price spread, Rabi pulse.

## Introduction

Field pea is one of the important Rabi pulse crop belong to the family Fabaceae and botanically knows as *Pisum sativum*. Field pea is an important frosty, hardy, annual and cool season pulse crop that is widely cultivated through out of the world. It is rich in Protein and contains 20-25% amino acid, sugars 12%, carbohydrate, vitamin 'A' and 'C', calcium and phosphorus besides having a small quantity of iron. Pea grown all over the world and area about 1190372 hectare producing 8924951 mt. (according to Ministry of Agriculture Government of India 2015-16).

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Marketing for any commodity in general refers to all the business activities involved ultimate consumers. The different agencies, which handled the commodity as it passes through several marketing process from the marketing channels. In the study marketing of any commodity it is necessary to identify the marketing channels through which it moves.

## Materials and Methods

The marketing channels for field pea are rather complex in the sense that they involve several stages of processing before it changed to the final consumable form. The channels involved certain amount of marketing cost and marketing margins. As the channels processed further the value of processed produce increases along with the marketing cost thereby lessening the farmer share in it.

## Marketing channels

The following main marketing channels were identified for marketing of field pea in the study area.

### Channel I

#### **Producer – whole seller - retailer- consumer (regulated market).**

This channel was found common with the farmers who sold their products through regulated marketing system. Only big farmers and few small farmers were found to sell their produce through this channel. It may be due to having more marketable surplus and transport facilities available with them.

### Channel II

#### **Producer – village trader – whole seller - retailer – consumer (unregulated market).**

This channel was found to be more common with the small and marginal farmer in the marketing of field pea in the study area. Percent of the marketable surplus was sold through this channel. In the channel produce was sold to the whole seller I through village trader. Then it passed to the miller whole seller II and retailer.

## Market Functionaries

A brief account of the functionaries engaged in the marketing of field pea has been given below. The price spread refers to the difference between the price paid by the consumer and the price received by

## Commission Agents (Arhatiya)

They sell or purchase on behalf of their clients. There are two types of arhatiya. i.e. Kachha and Pukka. The arhatiyas are men of small capital, who sell the produce in assembling markets on the half of those bringing it from the village. They often pay the seller immediately after sell, collecting the same from the buyer at a later day.

The pakka arhatiya is men of means who buy the sell the produce on behalf of the merchants in outside market. They may attend drying cleaning and packing before disposal to consumers. They advance 60 to 80 % of the goods presented to them for sell. Arhatiya often perform the function of whole sell merchants also ie, buying and selling on their own account but it is customary in most markets that an arhatiya does not himself make an outside purchase of the produce offered to him for self.

## Brokers ( Dallas)

The function of broker is to bring together the buyer and the seller, but broker perform other function also. They may work as agent and intermediaries and sometimes as kachha arhatiya. They can make purchase on behalf of buyer, or may show samples of produce on behalf of seller to prospective buyers and bring about of transaction. They also convince sellers to sell the produce through their clients.

## Weighmen (Taulas)

Weighing in market is done by arhatiya or buyers men. The persons actually handling the scale are called a Taula. In the regulated markets or such markets which are controlled by licensed and charges for weigh men are fixed.

## Weighing labour (Palledars)

There are labours engaged for weighing falling, packing and stocking bags the palleaders (one who holds the bag) are employed by the merchants and the avatars on monthly wages but there are others also who generally work independently or under contractor and are paid on place work systems.

## Price spread

the producer for equivalent quantity of farm product. This spread consists of marketing cost and margins of

intermediaries, which ultimately determined the overall effectiveness of marketing system. The price spread studies are helpful in study the efficiency of marketing system. If goods could be moved from the producers to the ultimate consumers at the minimum cost consistence with the provision of services and

consumer desire, the marketing system is said to be efficient.

The prices spread in the marketing of field pea in both channels under study have been worked out in table-

**Table-I: Details of Marketing Charges**

Particulars	Regulated Markets (Rs. per quintal)	Unregulated Markets (Rs. per quintal)
Charges paid by producer		
Transportation	15	-
Loading and Unloading	5	-
Weighing Charges	3	-
Others	2	-
Total	25	-
Charges paid by village trader		
Transportation	-	12
Loading and Unloading	-	5
Weighing Charges	-	3
Vardana	-	20
Others	-	3
Total	-	43
Charges paid by Whole Seller		
Transportation	12	15
Loading and Unloading	5	5
Weighing Charges	3	3
Mandi Fees (2.5%)	62.5	00
Vardana	15	15
Others	5	5
Total	102.50	43
Charges paid by Retailer		
Transportation	12	12
Loading and Unloading	5	5
Weighing Charges	3	3
Vardana	15	15
Total	35	35

An examination of the marketing charges paid by producer, Wholesaler, Retailer in the two type of markets show that producer have to pay more charges under regulated market system because of higher transportation due to situation of market at a large distance.

In case of wholesaler the marketing charges paid by him were higher because of Mandi fees in regulated market. In case of net price spread in field pea in regulated and unregulated marketing system, it has been worked out in the following table-.

**Table-II: Price Spread in Field pea (in Rs. per quintal basis)**

Particulars	Regulated Market		Unregulated Market	
	In Rs.	In %	In Rs.	In %
Producer Sale Price	3000	-	2500	-

Marketing Charges Paid by Producer	25	0.72	00	-
Net Price Received by Producer	2975	85.80	2500	81.94
Purchase Price of Village Trader	-	-	43	1.40
Margin of Village Trader	-	-	180	5.89
Sale Price of Village Trader	-	-	2723	89.24
Purchase Price of Wholesaler	3000	86.53	2723	89.24
Charges Paid by Wholesaler	102.50	2.95	43	1.40
Margin of Wholesaler	150	4.32	90	2.94
Sale Price of Wholesaler or s Retailer Purchase Price	3252.50	93.79	2846	93.28
Charges Paid by Retailer	35	1.00	35	1.14
Margin of Retailer	180	5.19	170	5.57
Sale Price of Retailer or Consumer Purchase Price	3467.50	-	3051.00	-

Table II reveals that marketing In channel I of field pea producer's share in consumer's price 85.80 percent. In the channel II producer's share in consumer's price 81.94 percent.

It was lower in comparison to channel because of existence of one more middleman. In this channel to marketing cost came to Rs. 86.00 per quintal followed by producer Rs. 00.00 per quintal. The marketing charges paid by whole seller and

retailers came to Rs. 43 and Rs. 35 per quintal respectively. Price spread in channel I is 14.21 and in channel II is 18.06. From the above findings, it may be concluded that farmers get a little more share in the price paid by the consumer under regulated marketing system in comparison to unregulated marketing. It was mainly due to higher sale price received by the farmers on one hand and the lower margin of profits accompanied by slightly lower total

marketing charges under regulated marketing system on the other.

#### **Marketing Cost and Marketing Margins:**

The purpose of studying the marketing cost and margin is to know as to which intermediary agencies intervene between the producer and the consumer. The distribution of marketing margins into its component such as whole seller share retailer share and the cost of marketing in respect of field pea in both channels of distribution have been given in table-III.

**Table-III: Marketing Cost and Marketing Margin (Rs./quintal)**

Particulars	Channel-I		Channel-II	
	In Rs./qn	In %	In Rs./qntl.	In %
<b>Village Trader</b>	-	-	180	34.74
<b>Wholesaler Margin</b>	150	30.45	90	17.37
<b>Retailer Margin</b>	180	36.54	170	32.81
<b>Marketing Charges</b>	162.50	32.99	78	15.05
<b>Total Marketing</b>	492.50	100	518	100

This table reveals that the total margin of profit charge by intermediaries were higher in channel-II (unregulated) in comparison to channel-I (regulated). Because, that the village trader did not market in the channel-I.

The total marketing cost was also higher in channel-II in compression to channel-I. In terms of percentage share marketing cost shared for 32.99 and 15.05 in the total marketing margin of channel-I and channel-II, respectively. The percentage share of margin was found to be higher in case of followed by retailer, wholesaler and village trader in both the channels.

### Conclusion

here were majority of Field pea farmers belong to backward caste followed by upper caste and schedule caste, female participation was dominated in marginal group

- Producer's share 85.80% in consumer's paid price in channel I.
- Producer's share 81.94% in consumer's paid price in channel II.
- Price spread up to 14.2 in channel I.
- Price spread up to 18.06 in channel II.

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