

Marketing Problems of Radish, Ridge Gourd and Lady's finger



Abdul Wakil Ali

Abstract: India is the second largest producer of vegetables in the world. Growing vegetables sector provides opportunities for employment generation, attain income and food security and increase income through value addition. The soil and climate of Goalpara district of Assam is conducive for producing a variety of vegetable crops. Among the eight Community Development (CD) Blocks, Matia CD Block is one of the major producers of Radish, Ridge gourd and Lady's finger vegetable crops. However, due to the absence of efficient marketing facilities and processing units farmers do not receive remunerative prices. As most of the vegetable crops are perishable, their harvest and marketing are very crucial for boosting the development of these crops. It was found that about 4.03 per cent of Radish, 3.57 per cent of Ridge gourd and 3.22 per cent of Lady's finger's scope for increasing producer's share in consumer's price and also observed that absence of proper marketing facilities in post harvest operations from farmers to the consumers are found responsible for the wide price spread.

Keywords: Vegetables, food security, marketing efficiency, remunerative prices, perishables.

I. INTRODUCTION

India's age-old farming practices have taken a turn in recent years. The technological breakthrough has led a substantial increase in the production of farms and the largest marketable and marketed surplus. To maintain this tempo and pace of increased production through technological development, an assurance of remunerative prices to the farmers is a prerequisite, and this assurance can be given to the farmer by developing an efficient marketing system, Acharya and Agarwal, 2001[2].

Market functionaries or institutions move the commodities from the producers to consumers through different marketing channels. Every function or service performed in various marketing channels involves cost. The intermediaries or middlemen make some profit to remain in the trade after meeting the cost of the function performed. In the marketing of the agricultural commodities, the difference between the price paid by the consumer and the price received by the producer for an equivalent quantity of farm produce is often known as price spread.

Studies on marketing margins and costs are important, for they reveal many facets of marketing and price structure, as well as the efficiency of the system, Acharya and Agarwal, 2001[2]. Absence of large scale storage and processing facilities results in loss in output, as also value addition leads to lower realization of output prices, Kumar, 2005[4]. By performing the major functions of marketing, transport plays a dominant role in the exchange of wealth between the nations, Devi, 2002[3]. Therefore, disposal of the produce is as important as the adoption of cultivation practice for improving its productivity, Singh, et al., 2005[5].

Thus, efficient marketing system is crucial to support farmers and earn reasonable returns, marketing of agricultural commodities faces various obstacles due to their bulky nature, seasonality and high degree of perishability, major parts of production are sold by the farmers to middlemen or commission agents, who dominate the trade and earn huge profits. Marketing cost for some farm produce so high which accounted for more than 50 per cent of the cost of production, Kulkarni, 1959[6], thus reducing farmers' income. Whenever there is glut, the farmer is compelled to dispose of his products at a throw away price. Such circumstances result in a switch over to cultivation of non-perishable crop.

Hence, for developing the marketing efficiency, there is a need to monitor or control the activities of intermediaries through regulation of trade and establishment of more horticultural products cooperative marketing societies at village, block and district levels and by creating marketing boards on the lines of the commodity boards. In this direction, the National Agriculture Cooperative Marketing Federation (NAFED), several State Tribal Cooperative Corporations headed by TRIFED and primary cooperative marketing societies have been taken up procurement and marketing of several agricultural and horticultural crops.

An efficient marketing system is an effective agent of change and a crucial way for raising the income levels of the farmers and the levels of satisfaction of the consumers. In the planning of agricultural production, the role of marketing of agricultural produce is very important. It is a well established fact that efforts for increasing agricultural production cannot be sustained for a long time unless and until the farmers are ensured the remunerative price for their products and also a legitimate share in the price paid by the consumers. One of the main reasons advocated for lower share of producers in the consumers' rupee is the larger magnitude of the price-spread of agricultural commodities. The price-spread consists of marketing costs involved in the assembly, processing, storage, transportation and handling of products from one place to the other and also margins of various intermediaries who are engaged in moving the produce from the producers to the ultimate consumers.

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The price-spread which is the indicator of the efficiency of the marketing system not only varies from region to region and from time to time but also depends on the nature of agricultural commodities and seasonal arrivals of the products in the markets, Ali, 2017[1]. In order to examine these aspects several studies were also undertaken but these were confined to agricultural crops mostly.

Keeping in view the aforesaid facts, the present study has been undertaken to examine the relative efficiency of marketing system for the Radish, Ridge gourd and Lady's finger vegetable crops.

Marketing of vegetables is not similar from marketing of other farm products because of their high perishability, concentration of business in a few hands and a large number of producers. India is the second largest producer of vegetables after China. As per National Horticulture Database published by National Horticultural Board, during 2015-16, India produced 169.1 million metric tonnes of vegetables, Statistical Hand Book, Assam, 2016 [7]. The area under cultivation of vegetables was cultivated at 10.1 million hectares. The cultivation of vegetables is most suitable in India because prevalence of small land holding with varied climatic conditions and surplus manpower. However, the level of profitability of the vegetables crops depends upon how marketing of vegetables is undertaken by the farmers in addition to technology in growing them. Time of sale, price of sale and agency through whom these are sold are some of the factors which influence the net prices received by the farmers for their surplus vegetables. High transport and packing costs, malpractices by the middlemen and existence of a large number of intermediaries reduce the producer's share in the consumer's rupee. Under the above perspectives, a casestudy is adopted to assess the marketing efficiency of vegetable products and to induct it to micro level. Therefore, an attempt is made to discourse on "Marketing Problems of Radish, Ridge gourd and Lady's finger".

II. OBJECTIVES OF THE STUDY

To achieve the broad objectives of assessing the marketing problems of vegetables, the study selects the following specific objectives.

1. To assess the marketing cost and margins of Radish, Ridge gourd and Lady's finger and
2. To work out the price-spread of these vegetable crops.

III. DATA BASE AND METHODOLOGY

The present study proposes to adopt descriptive and analytical approaches. For achieving the objectives the study requires both qualitative and numerical data of marketing of Radish, Ridge gourd and Lady's finger. Hence, the study has to depend on both secondary and primary information. Secondary data are collected from different publications of government, agencies, institutions and concerning experts. On the other hand, the study proposes to gather primary data through a case study in the selected area of study.

Goalpara district of Assam has been selected for the study. The reason behind selection of the district is that vegetables play a significant role in the economy of the district. Out of eight Community Development (CD) blocks in Goalpara district, one block i.e, Matia CD block was chosen for the study, keeping in view of its major share i.e. 51 per cent of total vegetables production of the district, Statistical Hand

Book, Assam, 2016 [7]. From the selected block area, village Singimari was purposively selected. From the selected village a sample size of 60 households comprising of 20 farmers each of Radish, Ridge gourd and Lady's finger were randomly chosen. Besides ten numbers of market functionaries were interviewed to identify market channels and to gather information about the market process. Further, the collection points in the farmer's field and the market places were visited physically to observe the marketing process. The primary field data for the study area pertain to the agricultural year 2017-2018.

Some of the important marketing channels for Radish, Ridge gourd and Lady's finger are mentioned as follows:

Channel I: Producer- Consumer

Channel II: Producer- Retailer- Consumer

Channel III: Producer- Wholesaler- Retailer- Consumer

Marketing efficiency, price-spread and producer's share in consumer's rupee in marketing channels II and III have been calculated by using the following formula:

$$\text{Shepherd formula: ME} = \frac{V}{I} - 1$$

Where,

ME → Marketing Efficiency

V → Value of the Radish, Ridge gourd and Lady's finger sold as price paid by the consumer

I → Total marketing cost

Cr- Pf → Price spread

Consumer's price (Cr) → producer's price + marketing cost+ marketing margin
 (Pf + Cr) 100 → Producer's share in consumer's price

Where,

Pf → Producer's price

Cr → Consumer's price

IV. RESULTS AND DISCUSSION

It is clear from the table1 that producer's marketing cost which involves transportation, palledari and market fee etc. is work out to be Rs.32 per quintal showing 4.02 per cent, 3.57 per cent and 3.21 per cent of the consumer's price paid in buying Radish, Ridge gourd and Lady's finger from the farmer's field to the road head. At this place wholesaler brings the produce at the mandi after paying Rs. 80 per quintal for Radish, Ridge gourd and Lady's finger, which consists of 7.41, 6.78 and 6.25 percents of consumer price as marketing charges. The retailer's also pays some of the charges like transportation, weighing, palledari, arhat and tax in the market to the extent of Rs.46 per quintal for both channels of Radish, Ridge gourd and Lady's finger products, which are 5.77 and 4.25 per cent of Radish, 5.13 and 3.90 per cent of Ridge gourd and 4.61 and 3.59 of Lady's finger of the consumer's price in channel II and channel III, respectively. The table further reveals that the retailer's margin in the market is that 250 per quintal (31.40%) in channel II and Rs. 184 per quintal (17.03%) in channel III from the Radish produce.



In case of Ridge gourd and Lady's finger products, the retailer's margins are 27.90 per cent in channel II and 15.59 per cent in channel III and 25.10 per cent in channel II and 14.37 in channel III, respectively. The retailer's sale the Radish, Ridge gourd and Lady's finger products to the

consumer in channel III, at the rate of Rs. 1080, Rs. 1180 and Rs. 1280 per quintals leaving 52.59 per cent, 56.61 per cent and 60.00 per cent of the consumer's price paid for the producers.

Table 1: Price-Spread of Consumer's Price in Radish, Ridge gourd and Lady's finger marketing (Rs./quintal)

Name of the functionaries	Radish		Ridge gourd		Lady's finger	
	Channel II	Channel III	Channel II	Channel III	Channel II	Channel III
1. Net price received by the producer	568 (73.86)	568 (52.59)	668 (74.55)	668 (56.61)	768 (77.10)	768 (60.00)
2. Total marketing cost paid by the producer	32 (4.02)	32 (2.96)	32 (3.57)	32 (2.71)	32 (3.21)	32 (2.50)
(i) Transportation cost	2 (0.25)	2 (0.19)	2 (0.22)	2 (0.17)	2 (0.20)	2 (0.16)
(ii) Palledari	10 (1.26)	10 (0.93)	10 (1.12)	10 (0.85)	10 (1.00)	10 (0.78)
(iii) Market fee	20 (2.51)	20 (1.85)	20 (2.23)	20 (1.69)	20 (2.00)	20 (1.56)
3. Producer sale price/ wholesaler purchase price/ Retailer purchase price	500 (62.81)	500 (46.30)	600 (66.96)	600 (50.85)	700 (70.28)	700 (54.69)
4. Marketing charges paid by the wholesaler	—	80 (7.41)	—	80 (6.78)	—	80 (6.25)
(i) Transportation cost	—	15 (1.39)	—	15 (1.27)	—	15 (1.17)
(ii) Octori	—	25 (2.31)	—	25 (2.11)	—	25 (1.95)
(iii) Palledari	—	15 (1.39)	—	15 (1.27)	—	15 (1.17)
(iv) Commission charges	—	15 (1.39)	—	15 (1.27)	—	15 (1.17)
(v) Miscellaneous	—	10 (0.93)	—	10 (0.85)	—	10 (0.78)
5. Wholesaler's margin	—	270 (25.00)	—	270 (22.88)	—	270 (21.09)
6. Wholesaler's sale price/Retailer's purchase price	—	850 (78.70)	—	850 (72.03)	—	850 (66.40)
7. Marketing charges paid by retailer	46 (5.77)	46 (4.25)	46 (5.13)	46 (3.90)	46 (4.61)	46 (3.59)

(i) Weighing	8 (1.00)	8 (0.74)	8 (0.89)	8 (0.67)	8 (0.80)	8 (0.62)
(ii) Transportation	10 (1.25)	10 (0.92)	10 (1.11)	10 (0.84)	10 (1.00)	10 (0.78)
(iii) Palledari	12 (1.50)	12 (1.11)	12 (1.33)	12 (1.02)	12 (1.20)	12 (0.93)
(iv) Arhat	9 (1.13)	9 (0.83)	9 (1.00)	9 (0.76)	9 (0.90)	9 (0.70)
(v) Purchase tax	7 (0.87)	7 (0.64)	7 (0.78)	7 (0.59)	7 (0.70)	7 (0.54)
8. Retailer's margin	250 (31.40)	184 (17.03)	250 (27.90)	184 (15.59)	250 (25.10)	184 (14.37)
9. Retailer's sale price/ Consumer's price	796 (100.0)	1080 (100.0)	896 (100.0)	1180 (100.0)	996 (100.0)	1280 (100.0)

Note: Figure in the brackets represents percentages to the consumer's price

Source: Field survey

Marketing costs, margins and marketing efficiency in Radish, Ridge gourd and Lady's finger marketing in the two channels are presented in table 2. It may be seen from the table that cost of marketing of Radish, Ridge gourd and Lady's finger are accounted to be Rs. 158 per quintal in channel III, which is higher than channel II. The marketing efficiency of Radish, Ridge gourd and Lady's finger are worked out with the help of **Shepherd's Index Method**,

which shows that it is higher such as 2.43 per cent, 2.73 per cent and 3.04 per cent, respectively in channel II than that of 1.76 per cent, 1.93 per cent and 2.09 per cent, respectively in channel III. It may, thus, conclude from the table that channel II is the most efficient channel as compared to others.

Table 2: Marketing cost, Margins and Marketing efficiency of the Radish, Ridge gourd and Lady's finger (Rs./quintal)

Sl. No	Particulars	Radish		Ridge gourd		Lady's finger	
		Channel II	Channel III	Channel II	Channel III	Channel II	Channel III
1.	Producer's share	568	568	668	668	768	768
2.	Wholesaler's margin	—	270	—	270	—	270
3.	Retailer's margin	250	184	250	184	250	184
4.	Cost of marketing	78	158	78	158	78	158
5.	Total costs and margins	328	612	328	612	328	612
6.	Retailer's sale price/ consumer purchase price	796	1080	896	1180	996	1280
7.	Net price received by the producer	568	568	668	668	768	768
8.	Shepherd's index of marketing efficiency	2.43	1.76	2.73	1.93	3.04	2.09
9.	Modified method	1.43	0.76	1.73	0.93	2.04	1.09

Source: Field survey

The comparative analysis of price-spread and producer's share in Radish, Ridge gourd and Lady's finger marketing in channel II and Channel III is done with the help of results shown in table 3. The table shows that price-spread in Radish, Ridge gourd and Lady's finger marketing is the same as Rs. 328 and Rs.612 per quintal in channel II and Channel III for each produce, respectively. This means that price-spread is higher in channel III, where wholesaler is involved in marketing of Radish, Ridge gourd and Lady's finger. The percentage of price-spread in consumer's price is also higher, which is 56.67 per cent for each produce in

channel III. The proportion of marketing cost in consumer's price are 9.79 per cent, 8.70 per cent and 7.83 per cent, respectively in channel II and 14.62 per cent, 13.38 per cent and 12.34 per cent in channel III, which indicates that the marketing cost is higher in channel III due to having large number of intermediaries. The shares of producer in consumer's price are 73.86 per cent, 74.55 per cent and 70.10 per cent in Channel II and 52.59 per cent, 56.61 per cent and 60.00 per cent in channel III, respectively.

Table 3 Price-Spread and producer's Share in Different Marketing Channels of Radish, Ridge gourd and Lady's finger (Rs./quintal)

Sl. No	Particulars	Radish		Ridge gourd		Lady's finger	
		Channel II	Channel III	Channel II	Channel III	Channel II	Channel III
		1.	Producer's price	568	568	668	668
2.	Consumer's price	796	1080	896	1180	996	1280
3.	Price-Spread	328	612	328	612	328	612
4.	Percentage of price spread in consumer's price						
5.	Marketing cost share in consumer's price in per cent	41.20	56.67	41.20	56.67	41.20	56.67
6.	Producer's share in consumer's rupee in per cent	9.79	14.62	8.70	13.80	7.83	12.34
		73.86	52.59	74.55	56.61	77.10	60.00

Source: Field survey

V. CONCLUSION

The present study of marketing problems of Radish, Ridge gourd and Lady's finger leads to a logical conclusions that there exists a vast scope for increasing producer's share in consumer's price. Absence of proper marketing facilities in the post harvest operations from the farmers to the consumers are found responsible for the wide price spread. The study reveals that the major factors contributing the price spread are margins to market functionaries and transportation costs. Also by ascertaining the view of the farmer's, it was felt necessary to strengthen the marketing cooperatives which can play a vital role in providing marketing facilities to farmers at their own level for efficient disposal of their products.

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