

## Marketing of paddy in Konkan region of Maharashtra state

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For the study of producer's share in consumer's rupee from each selected market, a sample of 50 producer sellers, 20 wholesaler/processor, 10 commission agents, 25 retailers and 10 fair price shop dealers were selected randomly. The average marketing cost of paddy was Rs.31.95 per quintal for coarse variety, Rs.34.20 for medium variety and Rs.39.69 for fine variety of paddy. The marketing cost per quintal incurred by the producer was Rs.7.35 in Raigad market. The marketing cost in paddy accounted for Rs.44.86, Rs.54.35 and Rs.60.98 per quintal in Raigad market for coarse, medium and fine varieties, respectively, for sales through fair price shops. Marketing costs were constituted of the elements, 1.Physical quantity such as change for loading, unloading, sewing, handling, weighing, cartage, drayage, stocking etc.2.Value *i.e.* commission, market fee, brokerage, purchase tax, sales tax etc. The marketing costs was higher in Channel II as compared to Channel I because of the involvement of the Government agency between the rice millers and the fair price shops which resulted in additional cost of their services and commission.

Paddy (*Oryza xativa* L.) is one of the most important *kharif* crops in India. It constitutes 35 per cent of the total area under all food grain crops and constitutes 45 per cent production of the total food grain crops (2005-06). In Maharashtra the area under paddy was 15381 thousand hectares in 2005-06 (Economic Survey, Ministry of Finance, Government of India, 2005-06). In the State, its cultivation is confined primarily to Ratnagiri, Raigad and Chandrapur districts. Rice is not the main staple food of the state, but it is cultivated mainly as a cash crop.

The trade in paddy and rice flow through various channels of distribution involving numerous agencies, such as producers, commission agents, wholesalers, rice mill owners, government procurement and some other distribution agencies and retailers. The

Government procures about 80 per cent of the produce (in case of coarse and medium varieties and 30 per cent in case of fine variety of rice) from the rice millers at a fixed procurement rate of rice in the state. These results in less competition in the market as there are only a few wholesaler buyers (rice millers) in these markets who exercise considerable control over the market. Paddy producers prefer to sell their paddy immediately after harvest at a price (generally lower) offered by the rice millers so as to save labour charges and other expenses incurred in drying and storage etc. Also the seasonal glut and little competition in the market put the farmers at a disadvantage to get remunerative price for their produce. Incentive price is a sine-qua-non for boosting up the production of rice. This phenomenon made us to examine the whole marketing system including the marketing costs and margins of various intermediaries engaged in handling and processing of paddy and rice, marketing pattern and price spread with a view to improving the efficiency of the marketing system. With this perspective in view the present study was undertaken with the objectives to examine the existing marketing system of paddy, to study the role of different channels of marketing/distribution in paddy and to examine the costs incurred and the marketing margins retained by different agencies *viz.*, wholesaler, retailer, processor etc. in the Raigad market.

Raigad district occupies a prominent place in paddy cultivation in Maharashtra State. It is accounted for 14.61 thousand hectares of the total area under paddy. It was purposively selected for this study. On account of limitation of time and resources available at our disposal, Raigad market was selected for study.

### **Sampling procedure:**

For the study of producer's share in consumer's rupee from each selected market, a sample of 50 producer seller, 20 wholesaler/

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