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Research
Paper

Price spreads in marketing of selected vegetables in Osmania vegetable market, Raichur (Karnataka)

L.B. HUGAR AND MAHESH M. JUNAGOND

See end of the article for authors' affiliations

Correspondence to :

MAHESH M. JUNAGOND

Department of Agricultural Economics, College of Agriculture, University of Agricultural Sciences, RAICHUR (KARNATAKA) INDIA

E.mail :

mjmahesh@rocketmail.com

ABSTRACT

The present study has been conducted to evaluate performance of Osmania vegetable market in Raichur city. The study revealed that commission charges formed the most significant constituent of the total marketing cost, comprising about 57 to 78 per cent of the total costs incurred by the producer-seller. The average net margin per quintal ranged between Rs.714.28 (brinjal) and Rs.483.21 (tomato) for wholesalers whereas, The net margin accrued to the retailers ranged from Rs. 598 per quintal (brinjal) to Rs. 361 per quintal (tomato). Producer's share in consumer rupee ranged narrowly from 43.62 per cent (tomato) to 41.67 per cent (brinjal) for the selected vegetables. The vegetable marketing at present is mostly in the hand of few proverbial middlemen who serve as link between producer and consumer. They exploit not only the producer but also a consumer to a considerable extent.

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Key words : Marketing costs, Margins, Commission charges and price spreads

INTRODUCTION

Though the vegetable crops hold a great promise for fostering economic growth and improving the diet of the people, they have received limited attention in marketing research programme in India. The production system particularly of perishable commodities like vegetables has been observed to be quite weak link in the programme for increasing vegetable availability and increasing farmers share in the consumer's rupee. Since vegetable crops require a chain of market functionaries before reaching the ultimate consumers, the role of various marketing functionaries assumes great importance. Vegetables are more prone to marketing problems than other agricultural commodities because of their basic characteristic of perishability and bulkiness. Unless the marketing system for vegetables is improved, both the producers and the consumers are likely to suffer.

Proper market condition will alone provide the needed incentive for the farmers to increase the production of vegetables. Market is the crucial stage where the producer

converts his labour and other inputs into cash and it is at this stage that he will be in a position to find how far investments and efforts have been rewarding. Imperfections in the marketing system and the resulting unremunerative prices at sensitive stages are likely to dampen the fervour of farmer for increasing the production of vegetables. The vegetable marketing at present is mostly in the hand of few proverbial middlemen who serve as link between producer and consumer. They exploit not only the producer but also a consumer to a considerable extent.

Price spreads are the good indicators, though not conclusive, of healthy marketing system which allows lion's share of the consumer's rupee to the producer. In the backdrop of this issue by adopting holistic approach, the present study has been conducted to determine the price spreads prevailing in Osmania vegetable market of Raichur city.

MATERIALS AND METHODS

The present study is related to the marketing of