

# Current status of marketing, constraints and farmer's share in consumer price of guava in Kaushambi district of Uttar Pradesh

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## ABSTRACT

Present study was carried out (n=120) to find out the various channels involved in the marketing of guava fruits and to study the constraints encountered by the guava farmer of Kaushambi district of Uttar Pradesh. The average family size of guava farmers was 5.25 with average male and female 2.8 and 2.44, respectively. Average literacy rate among the famers families was 43.49. However, 30.42 per cent male and 26.08 per cent female were illiterate. There were seven different types of marketing channels which were involved in guava marketing. Out of seven marketing channels involved in guava marketing, first channel was found to be efficient and the remaining were less efficient in farmer's share in consumer price. Farmers faced several constraints related to marketing, storage and financial problems. High involvement of middleman's is hampering the profitability of guava farmers. Guava farmers are facing several constraints related to marketing, storage and finance. Hence, to improve the productivity of guava farm and guava farmers, the constraints and problems should be resolved at priority basis. Therefore, policy makers and administrators have to take initiative to provide efficient services to benefit the producers.

**KEY WORDS :** Guava, Marketing channel, Profit

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India is one of the largest producers of fruits and vegetables in the world. Guava is estimated to be the fourth important fruit crop after mango, banana and citrus, as far as area and production are concerned. Guava is popularly known as 'apple of the tropics' due to its rich source of vitamin C and a fair source of useful minerals. It now is widely grown all over the tropics and subtropics. However, inadequate facilities for storage, transportation and low share of producer in consumer's price are major concern for farmers. Several

authors from several parts of country have reported the inefficient marketing facility, high losses during marketing and low share of producer in consumer price of guava crop. However, study are scanty specially in Allahabad region (Kaushambi district) of Uttar Pradesh. Therefore, study was carried out to find out the various channels involved in the marketing of processed (produced) guava fruits and to study the constraints encountered by the entrepreneurs.

## METHODOLOGY

Total numbers of farmers studied were 120 (n=120) from Kaushambi district of Uttar Pradesh. Multi-stage stratified sampling design was adopted to collect the data with the help of pre-tested questionnaire on market costs, price received, and price paid in the marketing of guava, etc. from the growers and different market functionaries. Suitable analytical tools were used to identify and computation of price spread and marketing channels.

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### Identification of channels :

Marketing channel is defined as alternative routes of product flows from producers to consumers. It is also described as the chain of intermediaries through whom the various produce pass from producer to consumer. The length of the channel varies from commodity to commodity depending on the quantity to be moved, the form of consumer demands and the degree of regional specialization in production.

To identify different marketing channels, the information were collected from the selected farmers and other market functionaries, processors and retailers on the disposal and the purchase of the produce were pooled together to analyze the movement of guava.

### Computation of price spread and market margins :

The term 'market margins', 'cost of marketing' and 'price spread' are often used as synonymous to each other. In fact, 'price spread' is applied to the break down of consumer's rupee into absolute margins of middlemen and producer divided by retail price. Basically the difference between price paid by the consumer and price received by the producer is the 'cost of marketing', 'marketing margin' and / or 'spread'.

Price spread can be defined as term sometimes applied to an absolute margin particularly one representing combined margins of several types of dealers.

To calculate the price spread of guava for different marketing channels, following estimates were obtained as (i) weighted average of price received by the guava producers from different market intermediaries (ii) the average marketing cost incurred by the farmers to sell their produce to various intermediaries. (iii) The net price received by the producers at the time of first sale as follows:

$$P_f = P_A - C_f$$

where,

$P_f$  = net price received by producers (Rs. Per quintal),  $P_A$  = weighted average of price received by the producers (Rs. per quintal),  $C_f$  = marketing cost incurred by the producer (Rs. per quintal),

(iv) The producer's share in the consumer's rupee is as follows:

$$P_s = (P_f/P_c) \cdot 100$$

where,

$P_s$  = producer's share in the consumer's rupee,  $P_c$  = price paid by the consumer.

$P_f$  = net price received by producers,

(v) The marketing cost incurred at different stages of marketing by various intermediaries.

(vi) The average price, prevailing for guava, at different stages of marketing to calculate the margins of different intermediaries as follows:

$$A_{mi} = P_{Ri} - (P_{pi} + C_{mi})$$

where,

$A_{mi}$  = net margin of the  $i^{th}$  middleman (Rs. per quintal),  $P_{Ri}$  = sale price (Rs. per quintal),  $P_{pi}$  = purchase price (Rs. per quintal),  $C_{mi}$  = cost incurred on marketing (Rs. per quintal),

Percentage margin of  $i^{th}$  type of market functionary ( $P_{mj}$ ):

$$P_{mi} = \frac{P_{Ri} - (P_{pi} + C_{mi})}{P_{Ri}} \cdot 100$$

where,

$P_{Ri}$  = Total value of receipts per unit of produce (sale price rupees per quintal),  $P_{pi}$  = Purchase value of goods per unit (Purchase price rupees per quintal),  $C_{mi}$  = cost incurred on marketing per unit of produce (The marketing cost includes all the ascertainable charges made over the transaction of the quantity of guava (rupees per quintal).

(vii) The average price paid by the processor and ultimate consumer.

### ANALYSIS AND DISCUSSION

The results related to family detail of guava farmers revealed that the average family sizes of guava farmers was 5.25 with average male and female 2.8 and 2.44, respectively. Average literacy rate among the famers families was 43.49. However, 30.42 % male and 26.08 % female were illiterate.

### Marketable and marketed surplus:

An average 99.04 per cent of the total produce was estimated to be available for sale but the actual quantity sold was only 98.43 percent. Lack of marketing and storage facilities has been observed in present study hence, differences there were observed between marketable and marketed surplus (Table 1). Average loss during harvesting to marketing were 0.61 per cent however, highest was in small category farmers at farms level. Losses up to primary marketing channel increased and it varied from 8.76 o 12.71 per cent averagely 9.47 per cent.

Table 1 : Marketable and marketed surplus of guava on different size group of farms				(Qts/farm n=120)
Category	Guava production	Marketable surplus	Marketed surplus	Losses
Small farms	31.72 (100.00)	30.87 (97.32)	30.00 (94.58)	0.87 (2.74)
Medium farms	100.33 (100.00)	99.40 (99.07)	98.88 (98.55)	0.52 (0.52)
Large farms	138.25 (100.00)	137.14 (99.20)	136.52 (98.75)	0.62 (0.45)
Average	104.05 (100.00)	103.05 (99.04)	102.42 (98.43)	0.63 (0.61)

Note: Figures in parentheses are percentage to total production

**Marketing channels :**

Seven marketing channels showing various markets functionaries were identified in guava marketing in present area studied.

- Producer → consumer ( $LM_F$ )
- Producer → PHC → consumer ( $LM_F$ )
- Producer → WS/CA ( $LM_F$ ) → retailer ( $LM_F$ ) → consumer ( $LM_F$ )
- Producer → PHC → WS/CA ( $LM_F$ ) → Retailer ( $LM_F$ ) → Consumer ( $LM_F$ )
- Producer → PHC → WS ( $DM_F$ ) → Retailer ( $DM_F$ ) → Consumer ( $DM_F$ )
- Producers → PHC → WS/CA ( $LM_F$ ) → WS ( $DM_F$ ) → Retailer ( $DM_F$ ) → Consumer ( $DM_F$ )
- Producer → WS ( $DM_F$ ) → Retailer ( $DM_F$ ) → Consumer ( $DM_F$ )

**Producer's share, marketing cost and marketing margins :**

Producers share in consumer price is directly related to benefit of farmers. In the present study, results (Table 2) revealed that producers share in consumer price was observed highest (94%) in marketing channel I in which growers were directly involved to sell their produce followed by channel type III, II, VII, IV, V and VI, respectively. As the marketing agencies increased, cost of marketing and commission increased hence, consumer's price increased but producer share in consumer price decreased. Average marketing cost in

different marketing channels were Rs. 21.00, 21.50, 146.08, 147.29, 248.0, 313.75 and 241.75 in I,II,III,IV, V, VI and VII, respectively. Similarly, marketing margin was lowest in channel I and highest in VI in value however, it was highest in channel V in per cent. Low share of producer in consumer price is common problem in Indian agriculture. The results were in concurrence with Mathi and Pandey (2008) and Chinnappa (1997) who reported similar finding at Allahabad district in Uttar Pradesh and Bangalore, Karnataka. The results were also similar to other than guava crop as reported earlier in apple and vegetable marketing (Bhogal, 1994; Chauhan *et al.*, 1999).

**Identification of the constraints in guava marketing :**

The data in Table 3 depict the constraints faced by various guava farmers at different levels during the marketing of guava. The problem was fluctuation of price, followed by limited storage facility and lack of finance and capital. Unavailability skill labour for guava packaging is also a important factor for guava farmer at Kuasambi district of Uttar Pradesh. The other constraints which least affect were market away from farm, lack of availability of market and high commission.

Therefore, it, can be concluded that high involvement of middleman is hampering the profitability of guava farmer. Guava farmers are facing several constraints related to marketing and finance. Hence, to improve the productivity of guava farm and guava farmers, the constraints and problems should be resolved at priority basis.

**Table 2 : Producer's share, marketing cost and marketing margins (Rs./Q). in marketing of guava**

Channels particulars	Local market				Distant market (within U.P.)			Distant market (outside U.P.)		
	I	II	III	IV	V	VI	VII	V	VI	VII
Producers' share	1229.00 (94.00)	1060.00 (42.67)	1317.92 (49.17)	1062.00 (18.84)	1055.00 (14.09)	1050.00 (12.50)	1238.00 (29.39)	1050.00 (10.71)	1050.00 (10.00)	1238.50 (23.75)
Marketing cost	21.00 (6.00)	21.50 (5.73)	146.08 (17.19)	147.29 (17.13)	248 (22.55)	313.75 (26.15)	241.75 (21.02)	481.13 (34.37)	557.88 (37.19)	484.45 (34.00)
Marketing margin	-	193.50 (51.60)	286 (33.65)	550.71 (64.04)	697 (63.36)	736.25 (61.35)	570.25 (49.59)	768.87 (54.92)	792.12 (52.81)	602.05 (42.25)
Consumers' price	1250 (100)	1275 (100)	1750 (100)	1760 (100)	2000 (100)	2100 (100)	2050 (100)	2300 (100)	2400 (100)	2325 (100)

Figures in parentheses show the percentage of producers' share, marketing cost and marketing margin in consumers' rupee

**Table 3 : Problems in guava marketing**

Sr. No.	Particular	(n=120)	
		No. of farmers	Per cent
1.	Markets far away from farm	64	53.33
2.	Storage problem	102	85.00
3.	Price fluctuation	105	87.50
4.	High commission	43	35.83
5.	Lack of availability of market information	56	46.66
6.	Lack of skilled labour for packing	86	71.66
7.	Lack of finance/capital	95	79.16

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