

Research Article

Price spread in marketing channels of summer groundnut in Maharashtra

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SUMMARY : Study was conducted for estimation of price spread in different channels of groundnut in Maharashtra. For the study, about 96 summer groundnut growers were randomly selected with area under groundnut and were stratified into two groups like TAG-24 and SB-11 groundnut grower from eight villages of Sengaon tehsil of Hingoli district. Five wholesalers, five village retailers and five town retailers were selected to investigate marketing cost and marketing margin in groundnut marketing. The data pertained for year 2011-12. The results revealed that, price paid by consumer was the highest as Rs. 6470.41 in channel-III (P-W-TR-TC) in which producer's share in consumer's rupee was 71.89 per cent and price spread was found to be Rs. 2119.12. In channel-II (P-VR-VC) price paid by consumer was found to be Rs. 6155.21 in which producer's share in consumer's rupee was 72.08 per cent and price spread was Rs. 1718.44. In channel-I (P-PW-OC) price paid by consumer was Rs. 5035.93 in which producer's share in consumer's rupee was 86.28 per cent and price spread was found to be Rs. 690.92. Thus, in absolute term, net price received by producer was the highest in channel-III followed by that of in channel-II and channel-I.

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KEY WORDS :

Groundnut, Marketing channel, Marketing cost, Price spread

BACKGROUND AND OBJECTIVES

Stability in price of groundnut has remained an important goal for the planners and policy makers. In recent years, it has received considerable attention of researchers due to the high inflation of food items. Most of the study examined producer's share in consumer's rupee as well as the marketing cost and marketing margins in oilseed marketing. Marketing cost depends on several factors, including the type of commodity, nature of functioning in marketing and the distance of the marketing place from the farm. India is the second largest producer of groundnut in the world. In Maharashtra groundnut is grown on 0.43 million hectares with average productivity of 1047 kg per hectare. In Hingoli district, the area under of groundnut crop is 4200 hectares with production of 5700 tonnes and

productivity is 1357 kg per hectare. It is assumed that surplus of groundnut is marketed in the district. In case of TAG-24, about 53.48 per cent of groundnut production has been marketed by channel-III followed by 35.01 per cent by channel-I and 1.72 per cent by channel-II. Remaining 9.67 per cent can be retained by groundnut producer for family consumption and seed purpose. All channels are important with respect to time, quantity and price of groundnut in the market. It is need to determine the best channel of groundnut marketing for the benefit of farmers. By considering this aspect, the present study of groundnut marketing has been undertaken.

RESOURCES AND METHODS

Multistage sampling design was adopted in selection of district, tehsil, villages and summer

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groundnut growers. In first stage, Hingoli district was purposively selected on the basis of summer groundnut area. In second stage, Sengaon tehsil of Hingoli district was selected on the basis of area under summer groundnut production. In third stage, from Sengaon tehsil Bhagwati, Datala, Goregaon, Jawala bu., Kadoli, Majol, Swavan and Shindephal villages were selected on the basis of highest area under summer groundnut cultivation. In fourth stage, the separate list of summer groundnut growers was taken from each village. From each village, twelve summer groundnut growers were selected randomly. The cross sectional data were collected from 96 groundnut growers with the help of pre-tested schedule for the year 2011-2012. In all five wholesalers, five village retailers and five town retailers were

selected for present study. The data were analyzed by tabular method like mean and percentage method. The existing marketing channels were observed like channel-I (producer – wholesaler – oilmill consumer), channel-II (producer - village retailer - village consumer) and channel-III (producer - wholesaler - town retailer - town consumer). Thus, three marketing channels were used for estimating price spread in summer groundnut marketing of Hingoli district of Maharashtra.

OBSERVATIONS AND ANALYSIS

The findings of the present study as well as relevant discussions have been summarized under following heads:

Table 1: Production, retention, marketed surplus and marketing of summer groundnut through different channels

Particular	Groundnut farm
Groundnut farm (ha)	0.83
Groundnut pod production (q)	20.91(100.00)
Retention for home consumption (q)	2.12(10.20)
Marketed surplus in Channel-I (producer-pod wholesaler-oilmill pod consumer)	6.39(30.56)
Marketed surplus in Channel-II (producer-village pod retailer-village kernel consumer)	0.44(2.10)
Marketed surplus in Channel-III (producer-pod wholesaler-town kernel retailer-town consumer)	11.95(57.14)
Total marketed surplus (4+5+6)	18.78(89.81)

(Figure in parenthesis indicate percentage to total production)

Table 2: Price spread in groundnut marketing

Particulars	(Rs/q)		
	Channel-I (P-PW-OC)	Channel-II (P-VR-VC)	Channel-III (P-TW-TR-TC)
Net price received by producer (Producer's share in consumer's rupee)	4345.01 (86.28)	4436.77 (72.08)	4651.29 (71.89)
1. Cost incurred by producer	117.82 (2.34)	32.32 (0.53)	111.70 (1.73)
2. Price paid by wholesaler (pod)	4462.83 (88.62)	4469.09 (72.61)	-
3. Cost incurred by wholesaler (pod)	136.80 (2.72)	-	-
4. Margin of wholesaler (pod)	436.30 (8.66)	-	-
5. Price paid by wholesaler (kernel)	-	-	4742.99 (73.61)
6. Cost incurred by wholesaler (kernel)	-	-	298.00 (4.61)
7. Margin of wholesaler (kernel)	-	-	344.50 (5.32)
8. Price paid by village retailer	-	4469.09 (72.61)	-
9. Cost incurred by village retailer	-	794.80 (12.91)	-
10. Margin of village retailer	-	891.32 (14.48)	-
11. Price paid by town retailer	-	-	5405.49 (83.54)
12. Cost incurred by town retailer	-	-	100.42 (1.55)
13. Margin of town retailer	-	-	964.50 (14.91)
14. Price paid by oil-mill owner (pod)	5035.93 (100.00)	-	-
15. Price paid by consumer (kernel)	-	6155.21 (100.00)	6470.41 (100.00)
16. Marketing cost	254.62	827.12	510.12
17. Marketing margin	436.30	891.32	1609.00
18. Price spread	690.92	1718.44	2119.12

(Figure in parenthesis indicate percentage to total)

Production, retention and marketed surplus of groundnut:

Production, retention, marketed surplus and marketing of groundnut through different channels were calculated and are presented in Table 1. It was observed that farm size was 0.83 hectare. In general, pod production was 20.91 quintals. In total production, retention for consumption of groundnut pod was 2.12 quintals that was 10.20 per cent. Groundnut was marketed through in all three channels. Channel-III was dominant through which 11.95 quintals of groundnut was marketed followed by channel-I (6.39 quintals) and channel-II (0.44 quintals). It was clear that about 57.14 per cent of groundnut produce was marketed through channel-III followed by that of 30.56 per cent (channel-I) and 2.10 per cent (channel-II). Thus, about 18.78 quintals was found to be marketed surplus that was 89.80 per cent.

Price spread in groundnut marketing:

Per quintal marketing cost, margin and price spread in summer groundnut through three marketing channels were calculated and are presented in Table 2. The results revealed that in channel-I, price paid by oil-mill owner was Rs. 5035.93 in which producer's share in consumer's rupee was 86.28 per cent, while cost incurred by producer was Rs. 117.82 per quintal and cost incurred by wholesaler was Rs. 136.80 per quintal. It is also important to note that margin of wholesaler was Rs. 436.30 per quintal, while total marketing cost in channel-I was Rs. 254.62 per quintal and price spread was found to be Rs. 690.92 per quintal. In regard to channel-II, it was also evident from table that price paid by consumer was Rs. 6155.21 per quintal in which producer's share in consumer's rupee was 72.08 per cent. While cost incurred by producer was Rs. 32.32 per quintal and cost incurred by retailer was Rs. 794.80 per quintal. It also was important to note that margin of retailer was Rs. 891.32 per quintal. Total marketing cost was Rs. 827.12 per quintal, margin was Rs. 891.32 per quintal and price spread was found to be Rs. 1718.44 per quintal in channel-II. In regard to channel-III, it was also evident from table that price paid by consumer was Rs. 6470.41 per quintal in which producer's share consumer's rupee was Rs. 111.70 per quintal, cost incurred by the producer was Rs. 111.70 per quintal, cost incurred by wholesaler was Rs. 298 per quintal and cost incurred by retailer was Rs 100.42 per quintal. It is also important to note that net margin of retailer was Rs. 100.42 per quintal. It is also important to note that net margin of retailer was Rs. 964.5

per quintal followed by that of wholesaler (Rs. 344.5 per quintal), total marketing cost was Rs. 510.12 per quintal and marketing margin was Rs. 1609 per quintal. In this way price spread was found to be Rs. 2119.12 per quintal. Similar to present investigation Chikkara *et al.* (1993) also investigated price spread and marketing pattern of groundnut in Haryana.

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