Marketed surplus and price spread in different channels of sunflower marketing

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ABSTRACT
Marketed surplus and price spread in case of sunflower was studied in the year 2010-2011 in Latur district of Maharashtra. For the study, about 30 drip irrigated and 30 flood irrigated sunflower growers were selected from Chakur and Shirur-Anantpal tehsils. Mill owner and wholesaler, from Latur market were selected to investigate the cost, margin and price spread in sunflower marketing. The results revealed that the size of drip irrigated sunflower farm was 0.76 hectares and 0.61 hectares in flood irrigated sunflower farm, respectively. Sunflower production in drip irrigated farm was higher as 16.69 quintals followed by 10.85 quintals in flood irrigated sunflower farm. Price paid by mill owner was highest as Rs. 3216.88 per quintal in Channel-I in which producers share in consumer’s rupee was 96 per cent. In case of Channel-II, price paid by mill owner was Rs.3210.40 per quintal in which the producers share in consumer’s rupee was 90.93 per cent whereas in Channel-I, in which the producers share in consumers rupee was highest in Channel-I than that of Channel-II. Net price received by producer was highest in Channel-I and price spread was higher in Channel-II which was Rs.291.39 followed by Rs.128.62 in Channel-I. It was found that, the Channel-I was benefited to producers.

KEY WORDS: Sunflower, Marketing cost, Margin, Price spread, Producers share

consumer to producer in the retail market. It includes all the market charges incurred by the producer, commission agent, wholesaler and mill owner as well as profit/margin of wholesaler, commission agent and mill owner. Producer’s share in consumer’s rupee is very helpful in deciding the appropriate strategies for reducing the marketing cost in the present study. It is price received by the farmer expressed as a percentage of the retail price, i.e. price paid by the consumer. If price is retail price the producer’s share in consumer’s rupee (P) be expressed as follows:

\[ P = \frac{\text{Net price received by producer}}{\text{Price paid by consumer}} \times 100 \]

whereas,

\[ P = \text{Producers share in consumer’s rupee} \]

ANALYSIS AND DISCUSSION

The findings obtained from the present study are presented below:

Marketed surplus and marketing of sunflower:

Production, retention, marketed surplus and marketing of sunflower through different channels were calculated and are presented in Table 1. The result revealed that, drip irrigated sunflower farm was 0.76 hectares followed by farm size of flood irrigated sunflower was 0.61 hectares. It was clear that, sunflower production in drip irrigated farm was higher as 16.69 quintals followed by 10.85 quintals in flood irrigated sunflower farm. Share of marketed surplus in drip irrigated sunflower production was 67.82 per cent through channel-I (producer-mill) followed by channel-II (producer-wholesaler-mill) i.e. 31.24 per cent. Similarly, share of marketed surplus in flood irrigated sunflower production was 52.08 per cent through channel-II followed by that 46.54 per cent through channel-I, respectively. It implied that, the highest quantity of drip irrigated sunflower production was marketed through channel-I and in flood irrigated sunflower production was marketed through channel-II. Retention of sunflower for home consumption was 0.84 per cent in drip irrigated system while than that of 1.38 per cent in flood irrigated sunflower system.

Marketing cost incurred by producer:

Per quintal marketing cost of sunflower with respect to various items incurred by producer in different marketing channels were calculated and are presented in Table 2. The result revealed that, the marketing cost incurred by producer in channel-II was higher i.e. Rs. 180.68 as compared to Rs. 128.62 in channel-I. In regard to proportionate share of expenditure on individual items, in channel-I cost of gunny bags was highest as 57.61 per cent, followed by transport 30.45 per cent, labour charges 4.76 per cent, loading charges 4.07 per cent and unloading charges was 3.11 per cent.

Similarly, in channel-II, proportion of expenditure on gunny bags 33.20 per cent, followed by commission charges 32.90 per cent, transport charges 22.74 per cent, loading charges 3.28 per cent, unloading charges was 2.76 per cent.
and weighing charges were 1.66 per cent. The results were at par with the results of Panghal and Luhanch (2005) in regards to per quintal marketing cost of sunflower, Vinod Kumar (2010) in regards to percentage expenditure on gunny bags, transportation and loading charges.

**Cost incurred by wholesaler in sunflower marketing:**

Per quintal marketing cost of sunflower with respect to wholesalers was calculated and are presented in Table 3. In regard to (channel-II) perquintal cost incurred by wholesaler in marketing of sunflower was found to be Rs. 50.03 in which proportionate expenditure on market fee was the highest as 48.29 per cent followed by losses 35.70 per cent, transportation charges 4.80 per cent and labour charge 4.30 per cent.

**Price spread in sunflower marketing:**

Per quintal marketing cost, marketing margin and price spread in sunflower marketing with respect to different channels were calculated and are presented in Table 4. The result revealed that, in regard to channel-I, price received by producer from mill owner was Rs. 3216.88 while cost incurred by producer was Rs. 128.62 and hence net price received by producer was Rs. 3088.26. The price paid by mill owner was Rs. 3216.88, thus price spread was found to be Rs. 128.62. In channel-I producer’s share in consumer’s rupee was found to be 96.00 per cent.

In regard to channel-II price received by producer from wholesaler was Rs. 3099.69 while cost incurred by producer was Rs. 180.68 and hence net price received by producer was Rs. 2919.01. The cost incurred by wholesaler and margin of wholesaler was Rs. 50.03 and Rs. 60.41, respectively. The price paid by mill owner was Rs. 3210.40. Thus, price spread was found to be Rs. 291.39. In channel-II producer’s share in consumer’s rupee was found to be 90.93 per cent. It was clear that, producers share in consumers rupee was maximum in channel-I. It was observed that, marketing cost in channel-I was 128.62. Thus, price spread was found to be Rs.128.62. In channel-II marketing cost was 230.98 and margin was Rs. 60.41. Thus, price spread was found to be Rs. 291.39. It inferred that,
price spread was found higher in channel–II as compared to channel-I. The results are at par with results of Panghal and Luhanch (2005) with regards to producer’s share in consumer’s rupee.

REFERENCES


