

Original Research Article

Analysis of Price Spread, Marketing Efficiency and Constraint Faced by Marigold Growers in Raipur District, Chhattisgarh

Abstract

In Raipur district, Chhattisgarh, India, Marigold was studied to determine its marketing channels, price spreads, marketing margins, and marketing effectiveness. Only for Marigold was the primary data gathered using the survey approach. 80 Marigold farmers were the subject of the study. The highest area under cultivation and output was in Chhattisgarh's Raipur district, where the study was done. Stratified random sampling in two stages was used to choose the channel actors. The study identified three key marketing channels:

- (I) Producer and consumer
- (II) Producer, retailer and consumer
- (III) Producer, wholesaler, retailer, and consumer

The farmers had to pay substantial prices for packing supplies and shipping, whereas for other middlemen in all the channels, weight loss and spoilage were the biggest marketing expenses, followed by shipping. Since the farmer sold the produce directly to the consumer in channel I, the price spread was minimal. The marketing effectiveness of the medium I chose was the highest. It was discovered that channel III had a substantially lower marketing efficiency when compared to channels II and III. The report offers guidance on choosing the ideal marketing channel for the promotion of marigolds. The report also offers actual data that may be used to adopt market solutions for greater gains for different chain members.

Keywords: Marketing cost, marketing efficiency, price spread, marigold.

Introduction

India's third most common flower after roses and chrysanthemums is the marigold, which is a member of the Asteraceae family. It is an American native. Marigold is a high-value crop that requires a lot of labor and is grown on a modest scale by the majority of farmers. Knowing how much it will cost to grow marigolds and how much it will yield will help farmers plan their operations and allocate their resources profitably. The farmer's primary source of income is the proceeds from growing marigolds. The farmers in this region have been growing marigolds for more than 10 years, but in the beginning, they only used the traditional method, and they also don't have adequate knowledge of the new, more sophisticated method. They encountered the issue of decreased marigold output as a result of their ignorance of and disregard for contemporary management techniques and ineffective and discriminatory use of inputs. Not only are marigolds grown for their beauty as cut flowers and landscaping plants, but they are also grown for their natural carotenoid pigment, which is used in chicken feed. In Chhattisgarh, the area planted with marigolds grew during the years 2020–2021 and 2021–2022 from 5072 ha to 5092 ha (anonymous NHM Chhattisgarh database). The state of Chhattisgarh occupied a considerable area for the purpose of commercial flower growing. Most of the land is concentrated in and around cities and towns. In Raipur, Durg, and Bilaspur, flower growing is becoming more visible as a commercial crop. Due to its huge profits, floriculture has become one of the most lucrative business professions today. In India, there were roughly 322 thousand hectares under cultivation in 2020–2021, and 2980,000 metric tons of flowers were produced. According to a record maintained by the Agriculture Ministry, there were 28327 hectares of flower-producing land at that time, and 312823 metric tons of flower were produced. Market workers are involved in the process of transporting the flowers from the farm gate to the consumers. In the important cities of Raipur, Durg, and Bilaspur, there is a rising demand for flowers.

Research Methodology :

Sampling design:

A multi-stage sampling design was used, with the first stage unit being the district, the second stage unit being the block, the third stage unit being the village, and the final and most final stage unit being the agricultural holding.

Selection of the districts:

Out of the 33 districts that make up the state, Raipur was specifically chosen for the present study's marigold analysis.

Selection of blocks:

There are 4 blocks in Raipur District. Out of them Abhanpur block was selected purposively for this study.

Selection of Villages

A complete list of every village was collected from the relevant Gram Panchayat, and 5% of those villages were chosen at random. In order to choose the villages from these districts for the study, Raipur was randomly chosen as having Marigold. A list of villages that grow marigolds was created after getting in touch with the block development officer. based on the pre-prepared data regarding the chosen districts, blocks, villages, and respondents. The communities of Kanhera, Mundra, Tekari, Raweli, and Julum

Selection of Respondents/ Farmers:

Gram Pradhan provided a list of farmers who grow marigold in particular villages. Following that, these farmers were divided into groups according to farm size. Out of those, 10% of respondents were chosen at random for the study based on marigold cultivation. Farmers were divided into three groups based on the size of their holdings, i.e.

List 1 : Selection of Respondents

SR. NO.	CATEGORY	SIZE - CLASS
1	Marginal	Below 1.00 hectare
2	Small	1.00-2.00 hectare
3	Semi medium	2.00-4.00 hectare
4	Medium	4.00-10.00 hectare
5	Large	10.00 hectare & above

(<https://www.pib.gov.in>)

From this list 80 respondents were selected randomly through proportionate allocation to the population.

Analytical techniques employed

For achieving the stated objectives, following analytical procedure was adopted:-

Marketing Cost

The total cost incurred on marketing of Marigold by the farmers and the intermediaries involved in the process of marketing was calculated as:

Where;

$C = CF + C_{m1} + C_{m2} + C_{m3} + \dots + C_{mn}$

C = Total cost of marketing

CF = Cost borne by the producer (farmer) in marketing of Marigold

C_{mn} = Cost incurred by the nth middlemen in the process of marketing.

Price spread

Price spread is defined as the difference between the price paid by the consumer and the net price received by producer for an equivalent quantity of farm produce.

$$\text{Price spread} = \frac{\text{Consumer price} - \text{Net price of producer}}{\text{Net price of producer}} \times 100$$

Consumer price

Producer's share in consumer's rupee

The producer's share, marketing costs and margins of different middle-men in the marketing of Marigold crop were worked out for the adopted channels using the formula.

$$P_s = \frac{P_f}{P_c} \times 100$$

Where;

P_s =Producer's share in consumer's rupee

P_f = Price of the produce received by the farmer

P_c =Price of the produce paid by the consumer

Marketing Efficiency

The ratio of price paid by the consumer's (total value of goods) to total marketing cost is used as a measure of marketing efficiency.

$$\text{Marketing Efficiency} = \frac{V}{I} - 1$$

V =Total marketing cost

I =Consumer's price

Results and Discussion :

Price spread refers to the discrepancy between the price the final customer pays and the price the farmer receives for a comparable quantity of produce. It includes the price of carrying out various marketing tasks as well as the profit margins of various agencies involved in the commodity's marketing process. The size of the pricing spread aids in the formulation of appropriate strategies for enhancing marketing effectiveness, either through a reduction in marketing expenses, the removal of unnecessary middlemen from the marketing process, or both. Based on information gathered from farmers and market officials, the marketing expenses, margins, and price spread in the marketing of marigold through various channels have been presented. The study area's channels were found to be:

Channel I: Producer –Consumer

Channel II: Producer– Retailer–Consumer

Channel III: Producer–Wholesaler–Retailer–Consumer

Marketing cost of marigold

The projected cost of marketing marigold was displayed in Table 1., which showed that, out of the three marketing channels, producer incurred marketing costs of Rs. 584.46 in channel I. Producer's selling price was Rs. 2900. The producer's marketing expense for channel II was Rs. 567.97. The price for gunny bags, which cost Rs. 72.69 in channel I and Rs. 70.49 in channel III, was the highest of all the expenditures. In channel III, the producer incurred marketing costs of Rs. 507.94, while wholesaler and retailer incurred costs of Rs. 151.05 and Rs. 135.81, respectively. Retailer and wholesaler each have a market margin of Rs. 364.25 and Rs. 911.46. The wholesaler and retailer both collected a total profit of Rs. 1278.71 from the channel III marketing costs of Rs. 779.29. From the discussion above, it can be inferred that channel III had the greatest total marketing expense, or Rs. 779.29, and the highest total margin, or Rs. 1278.71.

Table: 1. : Marketing cost and market margin of marigold

Particulars	Total Price		
	Channel I	Channel II	Channel III
Marketing cost incurred by producer			

Cost of gunny bag	72.69	66.04	70.49
Packing	16.04	16.75	17.21
Loading	20.47	18.95	17.09
Transportation	138.35	132.94	109.62
Weighing Charges	15.88	16.18	16.16
Miscellaneous Charge	305.82	301.68	264.69
Unloading	15.21	15.43	12.68
Total Market cost	584.46	567.97	507.94
Selling Price of Producer	2900	2650	2450
Marketing cost incurred Wholesaler			
Cost of gunny bag	0	0	64.34
Weighing charges	0	0	16.26
Miscellaneous Charge	0	0	17.47
Market cess fund	0	0	37.47
Selling price	0	0	2949.79
Total marketing cost	0	0	135.54
Margin of wholesaler	0	0	364.25
Marketing cost incurred by Retailer			
Transportation	0	98.72	84.87
Shop rent	0	17.72	17.34
Miscellaneous Charge	0	18.43	17.56
Weighing charges	0	16.18	16.04
total marketing cost	0	151.05	135.81
Selling price	0	3894.35	4000.06
Margin of retailer	0	1093.3	914.46
Selling Price of retailer / Purchase price of consumer	2900.00	3894.35	4000.06

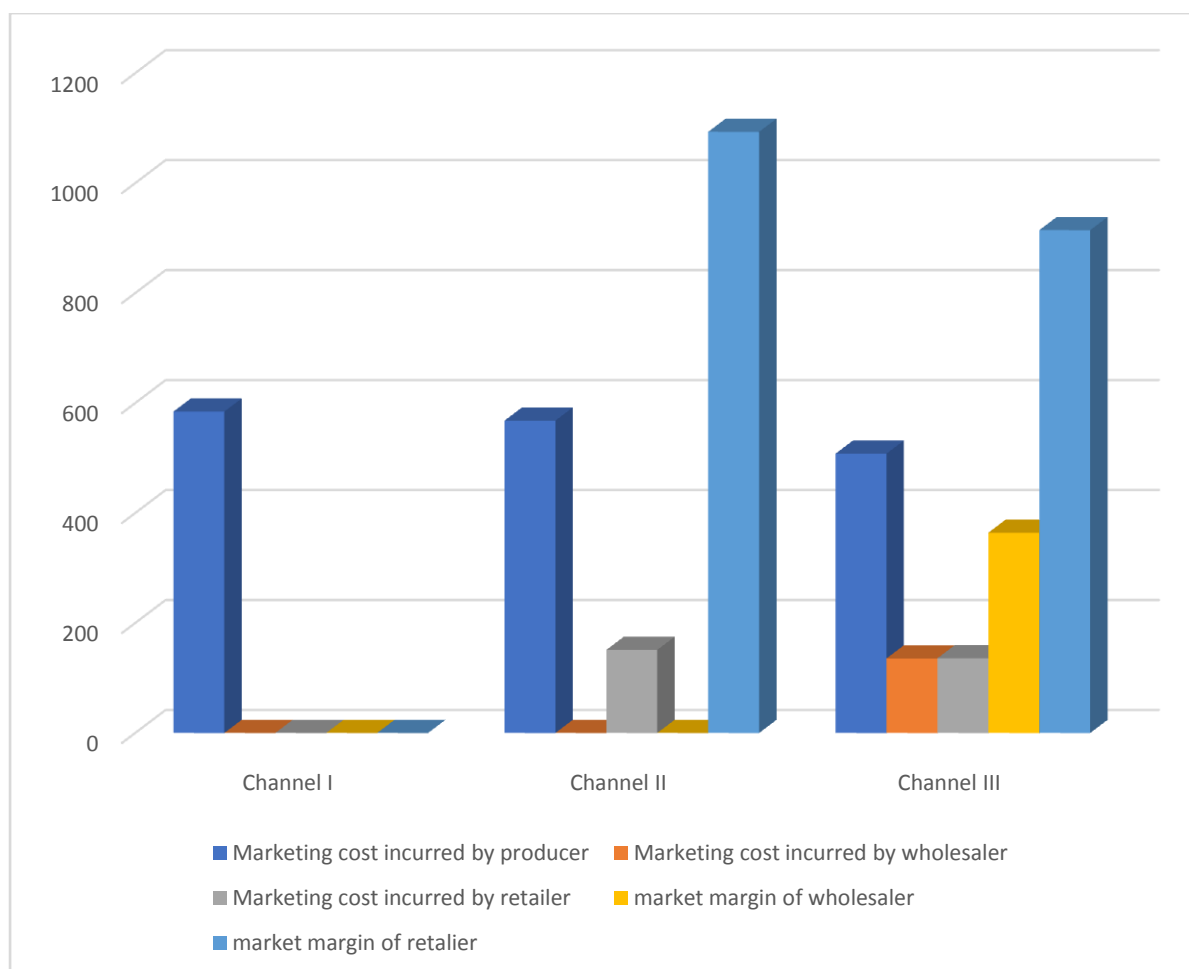


Fig. 1.: Per qtl. marketing cost and marketing of marigold through various channels

Producer's share in consumer's rupee

In Table .2, the producer's share of the consumer's rupee for channels I, II, and III has been calculated and shown. The direct marketing channel, or producer to customer, is channel I of the three marigold marketing channels depicted in Table .2 shows that the producer's net price for channels I, II, and III was respectively Rs. 2315.54, Rs. 2082.03, and Rs. 1942.06 per quintal. Due to the higher number of intermediaries in channel III than in channels I and II, the producer's share of the consumer's rupee was highest in channel I, at 79.84%, and was then followed by channel II (53.46) and channel III, at 48.55%. When compared to the other channels, channel III had the greatest overall marketing expense and market margin (19.48% and 31.97%). Although the producer's share of the consumer's rupee and the net price received by the producer were highest in channel I, growers were unable to sell all of their produce there due to a lack of customers. As a result, the producer sold their produce through channel III, proving the hypothesis. The marketing effectiveness for channels I, II, and II was calculated and is shown in Table .2. Channel I had a marketing efficiency of 4.96, followed by Channel II (2.14) and Channel III (1.94). According to Table .2, channel I had the highest efficiency, making it the most efficient market. It demonstrates that marketing effectiveness and marketing effectiveness are inversely connected.

Table: 2 Price spread in marketing of marigold through various channels

Particulars	Total Price		
	Channel I	Channel II	Channel III
Net Price received by Producer	2315.54	2082.03	1942.06
Total Marketing cost incurred by producer, wholesaler, retailer	584.46 (20.16)	719.02 (18.46)	779.29 (19.48)

Total market margin of wholesaler & retailer	0 (0.00)	1093.3 (28.08)	1278.71 (31.97)
Selling price of retailer/ Purchase price of consumer	2900.00 (100.00)	3894.35 (100.00)	4000.06 (100.00)
Producer's share in consumer's rupee	(79.84)	(53.46)	(48.55)
Marketing Efficiency	4.96	2.14	1.94

Summary :

In the study area, three distinct Marigold marketing channels were found.

Channel I: Producer–Consumer

Channel II: Producer—Retailer–Consumer

Channel III: Producer–Wholesaler–Retailer–Consumer

Each market contained three channels. Because channel I's producer share of consumer rupees was higher (79.84%) than channel II's (53.46%) in the Raipur market, channel I was more effective than channel II. The goal of the current inquiry was to paint a picture of the marigold farming industry in the Raipur district. Due to the fact that it is a significant crop, the business has gained a proud position in the tract's economy.

Conclusion:

Farmers assembled their food, processed it, graded it, packaged it, transported it, stored it, sold it, etc. as marketing techniques. The cultivators did not successfully carry out practices like grading and processing; processing was limited to domestic use, and grades were assigned based on the produce's variety and the presence of foreign components like soils and dried leaves. The most significant components of the cost were found to be the marketing cost per quintal, total marketing cost, items like commission, transportation, packaging materials, and other charges. Through certain actions, such as effective transportation infrastructure and affordable packaging materials, these expenses can be kept to a minimum. Additionally, it suggested reducing the amount of commission that the producers would have to pay. It is evident that as farm size expanded, so did the amount of excess that was both marketable and marketed. It has been determined that farmers have relatively higher cash needs. Additionally, it has been discovered that because marigolds are not immediately consumed, the market surplus is bigger. It has a negligible indirect consumption potential. At the marketing level, there are issues with prices and exorbitant commission fees. Marigold cultivation is economically constrained by high pesticide and seed costs, and technically constrained by a lack of information regarding the technical aspects of growing marigolds as well as the identification of diseases and pests.

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