



Economic Analysis of Marketing of Wheat in Solapur District Of Maharashtra State

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ABSTRACT

The study examined that marketing of wheat in Solapur district of Maharashtra state. In present study cost incurred by producer, wholesaler and retailer in wheat marketing shows that higher production sold in channel- II (284 q.) followed by channel-III (279 q.) and channel-I (163 q.). The per cent production sold in channel-II, channel-III, and channel-I was 39.11, 38.42 and 22.43 per cent respectively. The highest production sold in channel-II followed by channel-III and channel-I respectively. Production, retention and marketed surplus of wheat sold through different channels were Production of wheat was 19.39 quintals on 0.76 hectares and its retention for seed was 1.08 and consumption for home 2.00 quintals. The results revealed that quantity of wheat as 6.31, 6.15 and 3.85 quintals were marketed through channel-III, channel-II, and channel-I with percentage 32.54, 31.71 and 19.85 respectively. Thus total marketed surplus of wheat was 16.31 i.e. 84.11 per cent. Per quintal marketing cost, marketing margin and price spread in wheat marketing with respect to different channels. In channel-II price spread was Rs. 273.90 followed by channel III and channel-I Rs. 165.00 and 11.80, respectively.

Keywords: Marketing Channel, Marketing Cost, Market margin and Price spread.

Received 18.05.2018

Revised 15.06.2018

Accepted 01.07.2018

INTRODUCTION

Wheat (*Triticum aestivum* L.) belongs to Gramineae family. It is cultivated in *rabi* season. Origin of wheat is South West Asia (Turkey). Only four species of wheat are cultivated in India. The common bread wheat (*Triticum aestivum*) is the most important species, occupying more than 90 per cent of the total area in the country. Wheat germ and bran is a good source of dietary fibre helping in the prevention and treatment of some digestive disorders, tooth disorders, skin diseases and tonsil pain etc. The nutritive value of wheat arises from its unique combination of a large number of constituents including carbohydrates, protein, fat, vitamins, mineral and fibre etc [1,3,4].

World produced 751.36 million tonnes of wheat from an area of 221.73 million hectares and Productivity is 3.39 million metric tonnes in 2016-17. China is the largest wheat producing country in the world. China produces 130 million tonnes of wheat in 2016-2017. India is the second largest producer of wheat in world. India produces 87 million tonnes of wheat from 30.22 million hectares of land in 2016-2017 and consumes 86.2 million tonnes of wheat ranking them as the second largest consumer of wheat in the world. In Maharashtra wheat is grown in 7 Lakh hectares with average productivity of 13.2 quintals per hectares against the national average of about 26.5 quintals per hectares. (Source: State of Indian Agriculture 2016-17). In Solapur district the area of wheat crop is 500 hectares with production of 700 M.T. and productivity is 1400 kg per hectares in 2016-17. (Source: District Statistical Report 2016-17). To estimate marketing cost, margin and price spread in marketing of wheat;

MATERIAL AND METHODS

Multistage sampling design was adopted in selection of district, tehsils and villages. In all, 60 wheat growers were selected for the study. Tabular analysis, frequency and percentage methods were used to analyze and compare the data in present study. Marketing cost and market margin of different

functionaries were estimated from the data collected from them. The data were collected during the year 2017-18.

Marketing cost and market margin was worked out from actual data collected from market intermediaries. Marketing cost incurred by producer was estimated from the data collected from selected cultivators for the present. Price spread of the producer showed the difference between net price received by the producer in the assembling market and price paid by ultimate consumer to produce in the retail market. It includes all the market charges incurred by the producer, wholesaler, retailer and trader as well as profit margin at wholesaler, retailer and trader. 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 the retail price the producer share in consumer's rupee (Ps) is expressed as follows.

$$Ps = \frac{\text{Net price received by the producer}}{\text{Price paid by the consumer}} \times 100$$

RESULT AND DISCUSSION

Marketing Cost, Margin and Price Spread of Wheat Production

Marketing channels reveal that how produce passes through different agencies from producer to final consumer. In the study area following prominent channels were observed in the marketing,

1. Producer--- Consumer
2. Producer --- Wholesaler--Retailer--Consumer
3. Producer---Retailer---Consumer

Table 1: Major marketing channel identified in the study area.

Sr. No.	Channels	Total produce sold (q)	Percentage (%)
1	Channel-I Producer- Consumer	163	22.45
2	Channel-II Producer-wholesaler- retailer- Consumer	284	39.11
3	Channel-III Producer- retailer- consumer	279	38.42
	Total	726	100

In the studied area there are major three marketing channel available Maximum wheat production sold in channel- II (284 q.) followed by channel-III (279 q.) and channel-I (163 q.). As per table 1, the per cent production sold in channel-II, channel-III, and channel-I was 39.11, 38.42 and 22.45 per cent respectively. The highest production sold in channel-II followed by channel-III and channel-I respectively.

Table 2: Production, Retention and Marketed surplus of wheat through different channels.

Sr. No.	Particulars	Wheat
1	Farm size (ha)	0.76
2	Production (q)	19.39
		(100)
3	Consumption for home	2.00 (10.31)
4	Retention for Seed	1.08 (5.56)
5	Marketed surplus in channel -I (q) (Channel-I) - Producer- consumer.	3.85 (19.85)
6	Marketed surplus in channel -II (q) (Channel-II) - Producer- wholesaler-retailer-consumer.	6.15(31.71)
7	Marketed surplus in channel-III (q) (Channel-III) - Producer-retailer-consumer.	6.31(32.54)
8	Total marketed surplus (5+6+7)	16.31(84.11)

Note: (Figures in the parentheses indicate percentages to total)

Production, retention and marketed surplus of wheat marketing

Production, retention and marketed surplus of wheat sold through different channels were calculated and are presented in table 2. Production of wheat was 19.39 quintals on 0.76 hectares and its retention for seed was 1.08 and consumption for home 2.00 quintals. The results revealed that quantity of wheat as

6.31, 6.15 and 3.85 quintals were marketed through channel-III, channel-II, and channel-I with percentage 32.54, 31.71 and 19.85 respectively. Thus total marketed surplus of wheat was 16.31 i.e. 84.11 per cent.

Table 3: Marketing cost of wheat incurred by different intermediaries (Rs/q)

Sr. No.	Particulars	Channel-I	Channel-II	Channel-III
A	Producer			
1.	Loading/Unloading charges	9.90 (83.33)	10 (13.51)	10 (15.38)
2.	Transport charges	-	30 (40.54)	20 (30.76)
3.	Weighing and cleaning charges	1.90 (16.66)	2.00 (2.70)	2.00 (3.07)
4.	Market fee	-	2.00 (2.70)	3.00 (5.00)
5.	Deduction	-	29.90 (40.54)	30 (46.15)
	Sub total	11.80 (100)	73.90 (100)	65.00 (100)
B	Wholesaler			
1.	Labour charges	-	3.00 (6.44)	-
2.	Storage charges	-	7.50 (16.11)	-
3.	Electricity charges	-	0.80 (6.44)	-
4.	Shop tax	-	0.44 (0.94)	-
5.	License chargers	-	0.80 (1.71)	-
6.	Losses	-	9.00 (19.33)	-
7.	Market fee	-	25.00 (53.71)	-
	Sub total	-	46.54 (100)	-
C	Retailer			
1.	Labour charges	-	2.50 (5.96)	8.00 (16.75)
2.	Transportation charges	-	20.00 (47.72)	20.00 (41.87)
3.	Electricity charges	-	0.60 (1.43)	1.26 (2.63)
4.	Weighing charges	-	1.50 (3.57)	1.30 (2.72)
5.	Shop tax	-	0.51 (1.21)	0.40 (0.83)
7.	Market fee	-	12.30 (29.34)	12.30 (25.75)
8.	Loses	-	4.50 (10.73)	4.50 (9.45)
	Sub total	-	41.91 (100)	47.76 (100)
	Total	11.80	162.35	112.76

(Figures in the parentheses indicate percentages to total)

Marketing cost of wheat incurred by different intermediaries

Marketing cost of wheat incurred by producer

Item wise per quintal cost of marketing of wheat incurred by producer in different channels was calculated and presented in table 3. The cost incurred by the producer was the highest with Rs.73.90 per quintal in channel-II followed by 65.00 in channel-III and 11.80 per quintal in channel-I. It was observed that, the proportionate expenditure in the total cost was highest on Loading/ unloading charges in

channel-I (83.33 per cent) followed by weighing and cleaning (16.66 per cent). In channel-II share was highest on Transportation and deduction charges (40.54 per cent), followed by Loading/ unloading charges (13.51 per cent). In channel-III share was highest on deduction (46.15 per cent), followed by transportation charges (30.76 per cent) and loading/ unloading charges (15.38 per cent).

Marketing cost of wheat incurred by wholesaler

Per quintal cost of marketing of wheat incurred by wholesaler channel-II was calculated and presented in table 3. The result revealed that total cost was Rs.46.54 in channel-II. In which share of market fee was high as 53.71 per cent followed by losses channel-II 19.33 per cent. 16.11 per cent storage charges in channel-II. Then, electricity charges and labour charges was 6.44 per cent. 1.71 per cent license charges and 0.94 per cent shop tax in channel-II.

Marketing cost of wheat incurred by retailer

Per quintal cost of marketing of retailer incurred by retailer were calculated and presented in table 3. The total cost incurred by village retailer accounted for Rs. per 47.76 quintal. The share of expenditure in the total cost was the highest on transportation charges 41.87 per cent followed by market fee 25.75 per cent, labour charges 16.75 per cent, loses 9.45 per cent, weighing charges 2.72 per cent, Electric charges 2.63 per cent and shop tax 0.83 per cent.

Per quintal marketing cost, marketing margin and price spread in wheat marketing

Price spread in wheat marketing

Per quintal marketing cost, marketing margin and price spread in wheat marketing with respect to different channels was estimated and it presented in table 4. In channel-II price spread was Rs. 273.90 followed by channel III and channel-I Rs. 165.00 and 11.80, respectively. In channel-I, Producer and consumer were the two intermediaries while in channel-II, Producer- wholesaler- retailer and consumer was intermediaries. In channel-III Producer- retailer and consumer is the channel, it was observed that price spread was Rs. 273.90 in channel-III followed by that of Rs165.00 in channel-II and Rs. 11.80 in channel-I. Thus, net price received by producer was Rs.2635 in channel-III, followed by Rs. 2526 in channel-II and Rs. 2488 in channel-I. These results were conformity with the results obtained by Dahiwade *et al.*, [2]

Table 4: Per quintal marketing cost, marketing margin and price spread in wheat marketing (Rs/q)

S. No.	Particulars	Channel-I	Channel-II	Channel-III
1	Net price received by producer (producer's share in consumer's rupee)	2488 (99.52)	2526 (90.21)	2635 (94.10)
2	Expenses incurred by producer	11.80 (0.47)	73.90 (2.63)	65.00 (2.32)
3.	Price received by producer	2500	2600	2700
3	Price paid by wholesaler	2500	2600	2700
4	Expenses incurred by wholesaler	-	46.54 (1.66)	-
5	Margin of wholesaler	-	53.46 (1.90)	-
6	Price paid by retailer	-	2700 (96.42)	2700 (96.42)
7	Expenses incurred by retailer	-	41.91 (1.49)	47.76 (1.70)
8	Margin of retailer	-	58.09 (2.07)	52.24 (1.86)
9	Price paid by consumer	2500 (100)	2800 (100)	2800 (100)
10	Marketing cost	11.80 (0.47)	162.35 (5.79)	112.76 (4.02)
11	Market margin	-	111.55 (3.98)	52.24 (1.86)
12	Price spread	11.80 (0.47)	273.90 (9.78)	165 (5.89)

(Figures in the parentheses indicate percentages to total)

CONCLUSION

In regards to marketing of wheat three channels were found, channel-I (Producer - Consumer), channel-II (Producer - Wholesaler- Retailer - Consumer) and channel III (Producer - Retailer - Consumer). Net price received by producer was highest in channel III followed by channel II was highest and then channel I price received by producer.

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CITATION OF THIS ARTICLE

Sable S. N., Deshmukh K. V. & Meshram D. U. Economic Analysis of Marketing of Wheat in Solapur District of Maharashtra State. *Bull. Env. Pharmacol. Life Sci.*, Vol 7 [8] July 2018 : 103-107