

Marketing cost, marketing margin and price spread through different channels of *rabi* jowar in Osmanabad district of Maharashtra

J.B. TAWALE, B.R. PAWAR, V.S. MASKE AND S. A.JAGDE

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ABSTRACT

The study was conducted for estimation of marketing cost, marketing margin and price spread through different channels of *rabi* jowar in Osmanabad district of Maharashtra. Fifteen wholesalers and fifteen retailers were selected for the study. The data were pertained for the year 2005-2006. The results revealed that price paid by consumer was Rs.853.63 per quintal in channel-I (P-C) in which the producer's share in consumer's rupee was 99.57 per cent. Price spread was found to be Rs.3.63. In channel-II (P-W-R-C) price paid by consumer was Rs.1008.08 per quintal in which producer's share in consumer's rupee was 84.92 per cent. Price spread found to be Rs.152.08 per quintal. In regard to channel-III (P-PW-SW-R-C) price paid by consumer was Rs.1085.91 per quintal in which producer's share in consumer's rupee was 79.15 per cent. Price was paid found to be Rs.226.41 per quintal.

Key words : Marketing cost, Margin, Price spread, Producer's share

In Maharashtra, jowar is grown mainly as rainfed crop. It is grown in both the seasons *i.e.* *kharif* and *rabi*. *Rabi* sorghum plays an important role in dryland economy. The productivity of *rabi* jowar is mainly attributed to the rainfed nature of *rabi* cultivation of jowar. Jowar is primarily the crop of dryland area, where it is taken on residual moisture. It is one of the major crops in Osmanabad district. An increasing shift from food to non-food uses of sorghum has created increased opportunity for sorghum farmers. In fact jowar is passing through a transition stage from being a food and fodder crop to an industrially valued raw material, grain for poultry feed and potable alcohol manufacturing and sweet, stalk jowar for fuel-grade ethanol production. Most of the jowar is sold through unregulated markets. The market information regarding arrivals, movement of produce and prices is mostly unavailable. Therefore, there is a greater need to understand the marketing of jowar in order to help the growers in selling and getting remunerative prices.

METHODOLOGY

Osmanabad district was purposively selected on the basis of highest area under *rabi* jowar crop. From selected tehsils and villages, 96 cultivators were selected. The data

are pertained to the year 2005-06. For this study, 15 wholesales and 15 retailers were selected. Market cost and marketing margin were worked out from actual data collected from market intermediaries and marketing cost incurred by producers was estimated from the data collected from selected cultivators for the present study.

Price spread of the produce 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 included all the market charges incurred by producer, wholesalers and retailer as well as profit margin at wholesaler and retailer.

Producer's share in consumer's rupee is very helpful in deciding the appropriate strategies for reducing the marketing cost. The producer's shares in consumer's rupee is the actual price received by producer. 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's share in consumer's rupee (PS) be expressed as follows:

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

The channels selected for present investigation were as, channel-I – Producer-Consumer (P-C), channel-II – Producer-Wholesaler-Retailer-Consumer (P-W-R-C) and channel-III – Producer-Primary Wholesaler-Secondary Wholesaler-Retailer-Consumer (P-PW-SW-R-C).

Correspondence to:

J.B. TAWALE, Department of Agricultural Economic and Statistics, Marathwada Agricultural University, PARBHANI (M.S.) INDIA

Authors' affiliations:

B.R. PAWAR, V.S. MASKE AND S.A. JAGDE, Department of Agricultural Economics and Statistics, Marathwada Agricultural University, PARBHANI (M.S.) INDIA