Price spread, marketing efficiency and constraint in marketing of mango in South Gujarat region

G.S. JAYPATRE, K.S. PATEL AND P.R. AWAGHAD

ABSTRACT
Present study was undertaken to examine the price spread, marketing efficiency and constraint in marketing of mango in south Gujarat region. On the basis of larger area under mango, Pardi Taluka of Valsad district was selected for study purpose. The investigation was based on the farm level data obtained by survey method from the sample of 70 cultivators from 7 villages for the year 2007-08. The price spread ranged from (0.58%) in channel I to 62.35% channel IV of the consumer rupee. The producers share in consumer’s rupee was maximum in channel I (99.42%). In marketing of mango, the price spread was lowest in channel I (Rs. 1.27) and highest in channel IV (Rs. 115.72). It could be concluded that channel I i.e. producer to consumer was most beneficial to farmers. The marketing efficiency was much higher in channel I (170.93) and poor marketing efficiency in channel IV. The major problems faced by mango grower were lack of cold storage facility and high cost of transportation.

Key words: Constraint, Mango, Marketing efficiency, Price spread

INTRODUCTION
India is the largest fruit producing country in the world and ranked first in terms of area under mango during 2006-07. Efficient marketing of mango plays an important role in increasing the producer’s share in the consumer’s rupee. In India mango marketing is mainly in the hands of middleman like fruit merchant, wholesaler, co-operative society, etc. Hence, the producer is only a price receiver. In the process of marketing the producer has to incur various marketing costs. The costs are determined by the performance and efficiency of different marketing functionaries in different channels which in turn influence the return to the producer. In this context, there is a need for the study of efficiency of marketing channels in the marketing of mango that cultivates and marketed extensively in the study area. This paper examines the price spread and the relative efficiency of different market channels for mango.

The objectives of the study were to identify the marketing channels, estimate the price spread for the marketing channels, estimate the marketing efficiency and to analyse the constraints in marketing of mango.

MATERIALS AND METHODS
On the basis of maximum area under mango, Pardi Taluka of Valsad district in south Gujarat region was selected. About 70 mango growers from 7 villages of Pardi Taluka were selected and classified as Small (1.01 to 2.0 ha), Medium (2.01 to 4.0 ha) and Large (more than 4.0 ha) farmers group. To study the efficiency of channels in the marketing of mango, the total market functionaries were considered under five groups i.e. commission agent, pre-harvest contractor, fruit merchant, Co-operative society and wholesaler/retailer.

The primary data regarding marketing cost, constraints of marketing and channels were collected from the farmers for the year 2007-08 through the pretested structured schedules. The secondary data were obtained from the offices of relevant Government departments and regulated markets. Thus, the collected data were analyzed for price spread. The marketing efficiency of various markets was worked out by modified method using Shepherd’s formula.

\[ \text{MME} = \frac{\text{RP}}{\text{MC+MM}} - 1 \]
where,
MME = Modified measure of marketing efficiency
RP = Price paid by consumer or retailer’s sale price
MC = Total marketing cost
MM = Net marketing margin

The farmers were asked to assign reasons for selling their produce to particular agency and problem in marketing.

RESULTS AND DISCUSSION

The results obtained from the present investigation are presented in Table 1, 2, 3 and 4:

Marketing channel:
The following channels were identified with reference to mango marketing in the study area:
I Producer - consumer (local sale).
II Producer - wholesaler/commission agent - retailer - consumer.
III Producer - co-operative society - commission agent - retailer - consumer.
IV Producer- pre-harvest contractor - commission agent - retailer – consumer
V Producer- fruit merchant – hawker-consumer.

Marketing cost:
The marketing costs incurred by the various agencies in different channels are presented in Table 1. The highest per crate marketing cost of mango recorded in channel IV (Rs. 115.72) followed by channel III (Rs. 113.12), where as the lowest per crate marketing cost worked out to Rs. 1.27 for channel I. In total cost of marketing for channel IV the major items of cost were commission (Rs. 35.05) followed by packing material (Rs. 26.96).

Price spread of mango:
Price spread, cost incurred and gross margin of various agencies in different channels of mango are presented in Table 2. It indicates that the producer’s share in consumer’s rupees was maximum in channel I (99.42%) and minimum in channel IV (37.64%). The highest price spread observed in channel IV (62.35%) and lowest in channel I (0.58%). Therefore, it could be concluded that linking farmer/producer to consumer directly without any inter-mediaries could be most beneficial to farmers. The total market margin of the channels ranged form 6.04% (Channel II) to 19.63 channels (III and IV). The highest net margin was released by retailer in channel III and IV (19.63%).

Marketing efficiency:
The efficiency of the different marketing channels was analysed by shepherd’s formula. The result of the same is presented in Table 3. Comparison of price spread of different channels indicated that the price spread was lowest in channel-I (Rs. 1.27/crate) and highest in channel IV (Rs. 115.72/crate). Comparison of Shepherd’s formula indicated that channels I (Rs. 170.93 /crate) was most efficient followed by channel II, V, III and IV.

Table 1 : Marketing cost of mango for different channels of sale (Rs./crate)

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Particulars</th>
<th>Channels</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>I</td>
</tr>
<tr>
<td>1.</td>
<td>Cost incurred on</td>
<td></td>
</tr>
<tr>
<td></td>
<td>a) Labour require for grading, loading and unloading</td>
<td>3.52</td>
</tr>
<tr>
<td></td>
<td>b) Cost of packaging</td>
<td>15.12</td>
</tr>
<tr>
<td></td>
<td>Container (wooden and corrugated boxes)</td>
<td>1.85</td>
</tr>
<tr>
<td></td>
<td>Packing material [paper, paddy straw, sutali, nail]</td>
<td>6.21</td>
</tr>
<tr>
<td>2.</td>
<td>Cost of transport</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Commission</td>
<td>35.05</td>
</tr>
<tr>
<td></td>
<td>Hamali</td>
<td>2.59</td>
</tr>
<tr>
<td></td>
<td>Packing</td>
<td>0.81</td>
</tr>
<tr>
<td></td>
<td>Octroi</td>
<td>2.42</td>
</tr>
<tr>
<td></td>
<td>Weighing</td>
<td>1.40</td>
</tr>
<tr>
<td>3.</td>
<td>Market charges</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Commission</td>
<td>143</td>
</tr>
<tr>
<td></td>
<td>Electricity</td>
<td>3.32</td>
</tr>
<tr>
<td>4.</td>
<td>Rent of building/stall and licence fees</td>
<td>1.27</td>
</tr>
<tr>
<td></td>
<td>Total cost of marketing</td>
<td>1.27</td>
</tr>
</tbody>
</table>
Constraint in marketing:

The constraint was expressed by the farmer in marketing of mango which is presented in Table 4. The major problem faced by the mango growers was non-availability of cold storage facility (70%) followed by high transportation cost (60%), high commission charges (52.85%). The other problem faced by mango growers were financial problem, unremunerative prices and problem in getting the payment.

Similar type of investigations on marketing of mango were also carried out by Garg and Singh (1971) in Uttar Pradesh, Patel (1985) in Gujarat and Patil (1989) in Maharashtra.

Conclusion:

From the above results and discussion it could be concluded that the sample farmer sold their produce through five channels in mango marketing. The total marketing cost was lowest in channel I (Rs. 1.27 /Crate) and highest in channel IV (Rs. 115.72/crate). The price spread highest in channel IV and lowest in channel I. The producers share in consumer's rupee was maximum in channel I (99.42%). The total market margin of the channels ranged from 6.04% (Channel II) to 19.63% (Channel V).
channels (III and IV). The Shepherd’s index formula indicated that channels I was most efficient followed by II, V, III and IV. Non-availability of cold storage was a major problem in efficient marketing of mango.

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**LITERATURE CITED**


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