



Marketing cost, marketing margin and price spread of Soybean in Hingoli Market

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ABSTRACT

Present study was marketing cost, marketing margin and price spread of soybean in Hingoli market. Per hectare total cost with regards to soybean was Rs. 35262.14 while cost-A was Rs. 23036.28 and cost-B was Rs. 31672.14 Per cent share of cost-A was 65.32 per cent while cost-B was 89.81 per cent. The output-input ratio was 1.46 indicating that soybean is highly profitable enterprise. Area, hired human labour, seed, nitrogen, machine labour and family human labour turned out to be significant. Maximum quantity of soybean was sold through channel II as compared to other channels. Producers share in consumer rupee was maximum (98.80 per cent) as compared to other channels. Producers share in consumers rupee was maximum (98.80 per cent) in channel III and minimum (85.88 per cent) in channel I. Non availability of labour at the time of harvesting, Lack of knowledge about improved practices, Weed problem, Attack of pest and diseases, High rate of inputs were major constraints of soybean growers.

Key words: Marketing cost, marketing margin and price spread

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INTRODUCTION

Soybean (*Glycine max* L.) is known as 'golden bean' in India and most important grown in India for dual purposes that is oil seed as well as pulse crop. It is important natural source of protein with number of amino acids essential for good health. It is the number one oilseeds crop of the world. The area and production of the soybean crop in the entire world increased during the last decade. Total area under soybean in world was 118.65 million hectares with the production 319.00 million MT and during the year 2014-2015.

Soybean was introduced in Maharashtra during the year 1984-85. It became popular because of its short durational nature (90-110 days) with higher productivity as compared to other pulses both under rainfed as well as irrigated condition. The major Soybean growing districts in Maharashtra are Buldhana, Latur, Amravati, Yavatmal, Washim, Nanded, Akola and Hingoli. In Maharashtra Buldhana district rank first in area (4.12 lakh hectares) and third in production (2.57 lakh MT) while Latur rank second in area (3.80 lakh hectares) and first in production (3.36 lakh MT) during the year 2014-15.

Marathwada region constitutes Aurangabad, Jalna, Parbhani, Beed, Hingoli, Latur, Osmanabad and Nanded district of Maharashtra. In Marathwada region Latur district rank first in area (3.80 lakh hectares) and production (3.36 lakh MT) during the year 2014-15. Area under Soybean in Hingoli district during the year 2014-15 was (2.15 lakh hectares) with the production of (1.52 lakh MT) and rank eighth in area, production and productivity in Marathwada region of Maharashtra state.

METHODOLOGY

The information was collected in specially designed pretested schedule for the study. Hingoli market was purposively selected because this was the major market of Hingoli district. From the Hingoli market, different middlemen were selected randomly for the study of marketing of soybean. Wholesalers and village traders also oil processor; oil wholesaler and oil retailer were selected randomly for the present study. The data regarding marketing were collected from selected respondents and local market. Simple tabular analysis was used to achieve the result.

RESULTS AND DISCUSSION

Present investigation is intended to study the cost of production of soybean in Hingoli district. The data on related aspects of the study for the year 2014-15 were obtained from sample cultivars by survey method. The information was collected in specially designed pretested schedule for the study. Simple tabular analysis was used to achieve the result.

Marketing channels and their price spread in marketing of soybean

Production, retention and marketed surplus of soybean

Production, retention and marketed surplus of soybean sold through different channels were calculated and are presented. Production of soybean was 24.48 quintals on 1.70 hectares and its retention for seed was 0.78 quintals. The results revealed that quantity of soybean as 3.00, 14.00 and 6.7 quintals were marketed through channel-I, channel-II, and channel-III with percentage 12.26, 57.19 and 27.37 respectively. Thus total marketed surplus of soybean was 23.70 i.e. 96.81 per cent.

Marketing cost of soybean incurred by different intermediaries

Marketing cost of soybean incurred by producer

Item wise per quintal cost of marketing of soybean incurred by producer in different channels was calculated and presented. The cost incurred by the producer was the highest with Rs.77.23 per quintal in channel-II followed by 45.48 in channel-III and 30.08 per quintal in channel-I. It was observed that the proportionate expenditure in the total cost was highest on deduction in channel-I (56.99 per cent) followed by transportation charges (39.69 per cent). In channel-II share was highest on commission charges (44.94 per cent), followed by transportation charges (31.62 per cent). In channel-III share was highest on transportation charges (77.02 per cent), followed by loading/unloading charges (18.58 per cent) and weighing and cleaning charges (4.40 per cent).

Marketing cost of soybean incurred by village merchant

The total cost incurred by village merchant accounted for Rs.76.62 per quintal. The share of expenditure in the total cost was the highest on commission charges 47.11 per cent followed by transportation charges 40.49 per cent, labour charges 9.57 per cent and weighing charges 2.13 per cent, and shop tax 0.70 per cent.

Marketing cost of soybean incurred by wholesaler

Per quintal cost of marketing of soybean incurred by wholesaler channel-II and channel-I was calculated and presented. The result revealed that highest of the total cost was Rs.53.36 in channel-II Followed by Rs.in 49.30 channel-I. In which share of market fee was high as 51.93 per cent in channel-II followed by channel-I 53.35 per cent, labour charges 15.59 per cent in channel-II followed by channel-I 16.23 and transportation charges 14.13 per cent in channel-II Followed by channel-I 14.20.

Price spread in soybean marketing

In channel-I price spread was Rs. 535.53 followed by channel II and channel-III Rs. 302.31 and 45.48, respectively. It was clear that processor in Hingoli market was final consumer with respect to all marketing channels. In channel-I, village merchant and wholesaler were the two intermediaries while in channel-II, wholesaler was only one intermediaries. But in channel-III producer was directly selling his produce to the oil processor in this oil processor is ultimate consumer hence, it was observed that price spread was Rs. 535.53 in channel-I followed by that of Rs. 302.31 in channel-II and Rs. 45.48 in channel-III. Thus, net price received by producer was Rs. 3748.96 in channel-III followed by Rs. 3492.13 in channel-II and Rs. 3258.91 in channel-I. It is concluded that the channel-III price spread is lower 45.48 as compare to channel-I, and channel-II. that why it best channel of marketing as compare to channel-I and channel-II.

CONCLUSIONS

Following conclusions can be drawn from the findings:

1. Maximum quantity of soybean was sold through channel-I.
2. Marketing cost was higher in channel-I as compared to other channels.
3. Producers share in consumers rupee was maximum (98.80 per cent) in channel-III and minimum (85.88 per cent) in channel-I.

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Table 1. Production, retention and marketed surplus of soybean through different channels (q/farm)

Sr.No.	Particular	Crop
		Soybean
1.	Farm size (ha)	1.70
2.	Production (q)	24.48 (100)
3.	Retention for Seed	0.78 (3.18)
4.	Marketed surplus in channel –I (q) (channel-I)- Producer-village merchant-wholesaler-oil processor	3.00 (12.26)
5.	Marketed surplus in channel –II (q) (Channel-II)- Producer-wholesaler-oil processor.	14.00 (57.19)
6.	Marketed surplus in channel–III (q) (Channel-III)- Producer-oil processor.	6.7 (27.37)
7.	Total marketed surplus (q)	23.70 (96.81)

(Figures in the parentheses indicate percentages to total)

Table 2. Marketing cost of soybean incurred by different intermediaries

Sr. No.	Particulars	(Rs/q)		
		Channel-I	Channel-II	Channel-III
Producer				
1.	Loading/Unloading charges	-	8.52 (11.03)	8.45 (18.58)
2.	Transport charges	11.94 (39.69)	24.42 (31.62)	35.03 (77.02)
3.	Weighing and cleaning charges	1.00 (3.32)	1.07 (1.39)	2.00 (4.40)
4.	Commission charges	-	34.71 (44.94)	-
5.	Market fee	-	1.51 (1.96)	-
6.	Deduction	17.14 (56.99)	7.00 (9.06)	-
	Sub total	30.08 (100)	77.23 (100)	45.48 (100)

Table 2. Cont...

Sr. No.	Village merchant		
1.	Labour charges	7.33 (9.57)	-
2.	Transport charges	31.02 (40.49)	-
3.	Commission charges	36.10 (47.11)	-
4.	Weighing charges	1.63 (2.13)	-
5.	Shop tax	0.54 (0.70)	-
	Sub total	76.62 (100)	-
Sr. No.	Wholesaler		

1.	Labour charges	8.00 (16.23)	8.32 (15.59)	-
2.	Transportation charges	7.00 (14.20)	7.54 (14.13)	-
3.	License charges	0.12 (0.24)	0.12 (0.22)	-
4.	Electronic charges	0.84 (1.70)	1.28 (2.40)	-
5.	Communication charges	0.62 (1.26)	0.83 (1.56)	-
6.	Market fee	26.30 (53.35)	27.71 (51.93)	-
7.	Shop tax	0.42 (0.85)	0.41 (0.77)	-
8.	Other	6.00 (12.17)	7.15 (13.40)	-
	Sub total	49.30 (100)	53.36 (100)	45.48 (100)
	Total	156.00	130.59	45.48

Table 3. Per quintal marketing cost, marketing margin and price spread in soybean marketing (Rs/q)

Sr. No.	Particular	Channel-I	Channel-II	Channel -III
1.	Net price received by producer (producer's share in consumer's rupee)	3258.91 (85.88)	3492.13 (92.03)	3748.96 (98.80)
2.	Expenses incurred by producer	30.08 (0.79)	77.23 (2.03)	45.48 (1.19)
3.	Price paid by village merchant	3288.99 (86.67)	-	-
4.	Expenses incurred by village merchant	76.62 (2.01)	-	-
5.	Margin of village merchant	201.33 (5.30)	-	-
6.	Price paid by wholesaler	3566.94 (94.00)	3569.36 (94.06)	-
7.	Expenses incurred by wholesaler	49.30 (1.29)	53.36 (1.40)	-
8.	Margin of wholesaler	178.20 (4.69)	171.72 (4.52)	-
9	Price paid by processor	3794.44 (100)	3794.44 (100)	3794.44 (100)
9.	Marketing cost	156.00 (4.11)	130.59 (3.44)	45.48 (1.19)
10.	Market margin	379.53 (10.00)	171.72 (4.52)	-
11.	Price spread	535.53 (14.11)	302.31 (7.96)	45.48 (1.19)

(Figures in the parentheses indicate percentage to total)

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