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Marketing and Trading system of Cabbage Crop in District Budgam of Jammu and Kashmir state

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ABSTRACT

While ongoing study on research programmes of vegetables are addressing many emerging challenges, there is wide scope for innovative improvements right from the producers level so as to enhance the interest level of farmers through remunerative prices. For that, price spread and producers share in consumer's rupee may have a sharper focus of farmers towards the betterment of crop growing. Therefore, the research study entitled "A Study on Adoption of recommended package of practices by Cabbage Growers in District Budgam" was taken up for the study purpose with an objective to study the marketing and trading system of cabbage crop in District Budgam of Jammu and Kashmir state. Ex- post- facto research design was adopted for the study. The study was carried out in purposively selected Zone Chadoora of district Budgam of Jammu and Kashmir State, as having maximum area under cabbage crop. A sample of 120 cabbage growers was selected by proportionate allocation method from randomly selected six villages. The data were collected with the help of a well structured questionnaire and interview schedule. Data derived from the interviewees of the sampled farmers, wholesalers, retailers and consumers was taken and tabulated on an average basis. Three marketing channels were identified namely producer-commission agent-wholesaler-retailer-consumer, producer-wholesaler-retailer-consumer, and producer-retailer-consumer. The data revealed the producer's share in consumer rupee, price spread and marketing efficiency. The marketing cost and marketing margin of respondents in channel I was higher than the channel II followed by channel III. Out of these, the third channel was considered to be the most efficient.

Key words *: Marketing, Trading system, Channel, Cabbage growers, Package of practice*

Introduction

The state of Jammu and Kashmir has a potential to exploit productivity of vegetables to the tune of 40t/ha. Vegetables are considered essential for well-balanced diets since they supply vitamins, minerals, dietary fiber, and phytochemicals. Considering food and nutritional security vegetables play an important role in Indian agriculture. They are commonly called "protected food" because of their protective effects against degenerative diseases (Patil, 2008).

District Budgam produces the maximum portion of cabbage among all the districts of Kashmir valley having an area of 405 hectare under cabbage and production of 97200 q with productivity of 24% (Anonymous, 2017b). Cabbage crop is harvested during October-November, and May-June as in Kashmir province, so the cabbage production supply is not uniform throughout the year. Hence user needs are vital in marketing. Owing to this, the average wholesale price of cabbage was also recorded highest during the period when not available in bulk. The highest price during the peak season is the driving force within the farmers and they are moti-

vated to cultivate the cabbage as a summer and winter crop. Commodity marketing research is an essential item in the marketing continuum. Both seasonal and non-seasonal cabbage crop is grown by the farmers (Ravekar *et al.,* 2015). The main problems faced by the farmers are fluctuating prices of the vegetables, low procurement prices of commission agents, lack of government regulating policies, lack of opportunities for direct selling and inclement weather. It is therefore felt necessary to study the adoption of market intelligence among the summer cabbage growers and the association between selected personal and socio-economic attributes of summer cabbage growers.

Materials and Methods

Multistage cum purposive and random sampling techniques were used. On the basis of research problem and its objectives, the present study was conducted in the purposively selected District Budgam of Jammu and Kashmir A Comprehensive list of cabbage growers from the selected villages was procured from the concerned Agriculture Extension office and a sample of number of cabbage growers was taken by proportionate allocation method of sampling (taking area as auxiliary information) from the selected villages. Out of the selected villages, a total of 120 cabbage growers from 6 selected villages were selected randomly with minimum of 0.25 acres of land under cabbage.

Marketing channels

Moore *et al.* (1973) defined marketing channels as the chain of intermediaries through whom the various food grains pass from producers to consumers constitutes their marketing channels.

Marketing channels are routes through which agricultural products move from producers to consumers. The length of the channel varies from commodity to commodity, depending upon the quantity to be moved, the form of consumer demand and degree of regional specialization in production.

For present study the actual marketing channels followed by the respondents for the year 2017 were noted down.

Producer's share in consumer's rupee

It is the price received by the farmer expressed as a percentage of the retail price (i.e, the price paid by the consumer). If Pr is the retail price, the producer's share in consumer's rupee (Ps) may be expressed as follows:

Ps = (Pf / Pr)100

Where, Pf = Price received by the farmer.

For present study, well-structured schedule was prepared by discussing with the exports from Agriculture Economics and Agriculture Extension and producer's share in consumer's rupee of each respondent was calculated from the data collected from the respondents to know the exact percentage of share, producers are getting while marketing their produce.

Market Efficiency

Kohl and Uhl (1980) defined market efficiency as the ratio of market output (satisfaction) to marketing input (cost of resources). An increase in this ra-

Table 1. Selection of the Respondents in District Budgam

District	Sub-Division Agriculture office	Zonal Agriculture office	Area under cabbage crop	No. of cabbage growing villages in chadoora zone	No of villages selected by random sampling method	No. of cabbage growers from selected villages	No. of cabbage growers selected by proportionate allocation method
Budgam	Chadoora	Chadoora	274 ha	31	Bugam	120	42
					Wathoora-Batpora	86	30
					Dowlatpora	40	14
					Nowbugh	30	10
					Gowherpora	30	10
					Porwara	40	14
Total				31	06	346	120

Source: Chief Agriculture office Budgam 2017

tio represents improved efficiency and a decrease denotes reduced efficiency. A reduction in the cost for the same level of satisfaction or an increase in the satisfaction at a given cost results in improvement in efficiency.

Market efficiency = Consumer purchase price/ Total market cost+ Marketing margins

For the present study, well structured schedule was prepared by discussing with the experts from Agriculture Economics and Agri. Extension and data was collected to get the market efficiency of the produce.

Price Spread

In the marketing of agriculture/horticulture commodities, the difference between the price paid by the consumer and the price received by the producer for an equivalent quantity of farm produce is known as price spread.

Price spread= consumer purchase price-farmer sale price

For the present study, from the collected data price spread was calculated to know the difference between the price paid by the consumer and the price received by the producer.

Marketing Costs

The cost involved in moving the product from the point of production to the point of consumption, i.e., the cost of performing the various marketing functions and of operating various agencies was also calculated from the data collected from the schedule.

Marketing Margins

Profits in the various market functionaries involved in moving the produce from initial point of production till it reaches the ultimate consumer was also

Table 2. Producer's share in consumer's rupee, marketing efficiency and price spread of the cabbage growers in different prevailing marketing channels Rs/bag

S. No.	Particulars	Channel 1 (In Rs)	Channel 2 (In Rs)	Channel 3 (In Rs)
A)	**Producer**			
1.	Sale price by the grower	360	360	360
	Expenses incurred by the grower Rs/bag			
1.	Packaging	7	7	7
2.	Transportation	10	8	-
3.	Storage	-	-	-
4.	Weighing	2	2	2
5.	Other miscellaneous charges	8	6	-
6.	Commission taken by agents (per cent)	12 % (Rs. 43.2)	00	00
7.	Total marketing cost borne by the producer	70.2	23	9
8.	Net price received by the grower	289.8	333	391
B)	**Commission Agent**			
1.	Commission agent's purchase price	360	00	00
C)	**Wholesaler**			
1.	Wholesaler's Purchase Price	360	360	00
	Expenses borne by the wholesaler			
1.	Transport charges	6	4	-
2.	Labour charges	03	2	-
3.	Marketing Margins of the Wholesaler	50	50	-
4.	Wholesaler's price	369	367	-
D)	**Retailer**			
1.	Retailer's purchase price	419	417	391
	Expenses borne by the retailer			
1.	Transport charges	4	4	4
2.	Labour charges	2	2	2
3.	Other charges	81	81	81
E)	**Consumer**			
1.	Retail sale price/Consumer's purchase price 1 bag = 30 kg	506	504	478

calculated from the collected data. The absolute value of the marketing margin varies from channel to channel, market to market and time to time.

Marketing system of the cabbage in the study area

Marketing system of the cabbage crop prevalent in the study area was studied with a specific objective of working out the price spread, producer's share in consumer's rupee and marketing efficiency in prevalent marketing channels of the crop.

Marketing channel

The analysis of marketing channels was intended to provide a systematic knowledge of the flow of goods and services from its origin, producer, to final user, consumers. Accordingly, the author has tried to identify the different marketing channels or alternative routes the product flow from the point of origin to final destination. The main marketing channels identified were:

Channel I: Producer-Commission agent-Wholesaler-Retailer-Consumer

Channel II: Producer -Wholesaler-Retailer-Consumer

Channel III: Producer-Retailer-Consumer

Majority of producers (83%) expressed that they sold their produce to wholesalers through commission agents (channel I) only due to the fact that majority of respondents belonged to the small land holding category, having no resources to engage themselves in selling directly to the wholesalers and consumers. Other reasons being pre-harvest agreement, immediate need for cash and was also because the commission agents are worthier for credit settlement. About 11 per cent sold their produce to the wholesalers (channel II) and 6 per cent sold their produce to retailer (channel III).

From Table 4, it is evident that the average net price received by the grower in channel I, channel II and channel III is Rs. 289.8, 337 and 391 respectively. The cost borne by the producer in channel I is maximum followed by channel II and channel III. Wholesalers price for 3 channels are Rs. 369, 367 and 0 respectively with marketing margin of 50, 50 and 0 respectively while as retailer's sale price/consumers purchase price for 3 channels are Rs. 419, 417 and 391 with retailers marketing margin of Rs. 81, 81 and 81 respectively. It is also evident that commission agent has been taking 12 per cent commission in total. It clearly depicts that channel III includes minimum expenditure borne by the producer followed by channel II and channel I respectively.

In case of cabbage, Table 4 revealed that marketing cost and marketing margin of respondents in channel I was higher than the channel II followed by channel III which clearly depicts that channel III was more efficient than the channel II followed by channel I as no commission agent was present in channel II and no commission agent and wholesaler in the channel III.

The marketing channel I thought had less producer's share, marketing efficiency and more price spread but was found to be most prevalent in the study area. The reason might be because the commission agents exploit the producer through pre harvest agreement and their more accessibility to markets. The efficiency could be increased through awareness regarding the market information by making up-to-date market information available to all growers through various means, in-

Table 3. Average marketing costs and marketing margins of the cabbage growers in different prevailing marketing channels

S.No.	Particulars	Channel I	Channel II	Channel III
1.2.	Total marketing cost	85.2	35	15
	Total marketing margin	131	131	81

Table 4. Distribution of respondents according to producer's share in consumer's rupee, marketing efficiency and price spread in different marketing channels of cabbage

S. No.	Particulars	Producer's share in consumer rupee (%)	Marketing efficiency	Price spread	Market spread
1.	Channel I	57.27	2.34	146	146
2.	Channel II	66.99	3.03	143	143
3.	Channel III	81.7	4.97	78	78

cluding good market information system and various Medias which facilitate the markets.

Producer's share:

$$Ps = (Pf / Pr)100$$

Where,

Producer's share = farmer's purchase price/ price paid by consumer x 100

Marketing efficiency was calculated through shepherd's method:

Market efficiency = Consumer purchase price/Total market cost + Marketing margins

Higher the ratio, higher is the marketing efficiency.

Price spread = price paid by consumer – price received by producer

Table 4 clearly indicated that channel III had maximum producer's share (81.7%) in consumer rupee, marketing efficiency (4.97) and lowest price spread (78) compared to channel I and II.

It indicates that maximum share of profit is taken by retailers and wholesalers without adding any value to it. This implies that the longer the market channel, more the farmers being exploited by the unnecessary channels or they get lower price or unfair for their production as compared to other middlemen. Hence, appropriate measures are needed here to enable farmers to get fair price for their produce. The high percentage of margin to price difference is indicative of possible large trade profits and poor marketing efficiency in cabbage crop. It clearly depicts that channel III is most efficient among the three channels.

Conclusion

The inferences of the study indicated that some interventions should be taken at least to improve the inefficient functioning of vegetable marketing system and enhance the participation of farmers in vegetable production. Those interventions could be long run or short run solutions. The market system improvements revolve around institutional, legal frames, market linkage, capacity building (education and training), and developing market infrastructure facilities. The following concrete intervention will improve the marketing system and enable fair and equitable distribution of the welfare generated from the marketing system: Market infrastructure should be improved through storage (godown) facilities, cold storages, cold-chain facilities, road network, loading and weighing facilities. Besides, the market integration and efficiency can be improved by making up-to-date market information available to all participants through various means, including good market information system and various medias which facilitate the markets. Additionally, to overcome problems in extension services, capital bottlenecks, business skill gap, lack of proper/scientific grading and standards, pre harvest and postharvest loss/wastage, increase access to improved inputs, strengthening credit institutions, defining and setting quality parameters, standards, grades, and establishment of storage and processing facilities are possible options. Strengthening and institutionalizing the marketing system and the commission agents' functioning, provision of education and training, improve transparency of price setting and availing market information are the most promising interventions.

Suggestions

- Government should come up with programs which will help the growers in selling the cabbage crop in distant markets to get higher returns and should check the exploitation by commission agents.
- Government and the farmers should established agro-processing units and cold storage on co-operative basis to reduce the distress sale and to avoid glut in the market in the peak period.

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