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## An economic analysis of marketing of cashew nut (*Anacardium occidentale*) in Srikakulam district of Andhra Pradesh

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### Abstract

The study is an analysis of price spread, producer's share in consumer's rupee and marketing efficiency of Cashew nut in Andhra Pradesh. The study was carried out in the Srikakulam district of the state. A multistage sampling technique was employed to select the market functionaries from whom information was collected using structural questionnaires from the different marketing channels. Channel -1 Producer-Consumer, Channel -2 Producer -Trader- Retailer - Consumer, Channel-3 Producer-Cooperatives-Wholesaler-Retailer- Consumer. Then the data is analysed using the tabulation method along with a statistical tool.

**Keywords:** Cashew nut, price spread, producer's share in Consumers rupee, marketing efficiency

### Introduction

Cashewnut (*Anacardium occidentale*), also called as 'wonder nut,' is native to Brazil and is of greater commercial value. It was introduced by Portuguese travellers in the sixteenth century on the Malabar Coast. Cashew nut, popularly also known as the "Gold Mine of Waste Land. It is noted for its wide adaptability, its variety of soil and Agro-climate, as well as its eco-friendly behaviour.

### Research methodology

The study was conducted in the Srikakulam district of Andhra Pradesh which is one of the 13 districts of Andhra Pradesh. Srikakulam district comprises 38 blocks among 2 blocks were selected i.e. Vajarapu Kotoru and Palasa blocks were selected for the study. A list of 6 villages was selected randomly out of them. A list of all Cashew nut farmers/ respondents is prepared with the help of the head of the villages Pradhan or head of each selected villages in both blocks, thereafter farmers/respondents are categorized into 3 size groups based on their landholding and then from each village 10% farmers were selected randomly from all the different size of farm groups.

All market functionaries of both Primary and secondary market are prepared with the help of market head out of total market functionaries 10% market functionaries selected randomly from both market for the present study this market functionaries will be considered for data collection regarding different marketing costs and other charges in different marketing channels. Price spread, producers share in consumer's rupee and marketing efficiency was calculated using the required formula.

### Results and Discussions

The study was conducted in the Srikakulam district of Telangana. The necessary data were collected from the market functionaries in the above-mentioned district. The present chapter is going to tell you about the results and discussions for various objectives. The chapter is arranged in different sub-sections according to the objectives of the study.

- To workout Price spread, Producer's share in consumer's rupee and Marketing efficiency in different existing channels

### Marketing Channels

There are three marketing channels for the Cashew nut marketing in Srikakulam District given below.

**Channel I: Producer-Consumer****Table 1:** Sample average for marketing channel- I

S. No.	Particulars	Rs. /Quintal
1.	Producer sale price to the consumer	15000
2.	The cost incurred by the producer	
I	Packing cost	20(0.133)
II	Packing material cost	30(0.2)
III	Transportation cost	40(0.266)
IV	Market cost	20(0.133)
V	Labor cost	15(0.1)
VI	Loading and unloading charges	30(0.2)
VII	Weighing charges	20(0.133)
VIII	Miscellaneous charges	15(0.1)
3.	Total cost	190(1.266)
4.	Net price received by the producer	14810(98.733)
5.	Price spread	190(1.266)
6.	Consumer paid price	15000(100)
7.	Producer share in consumer rupee (%)	98.7%
8.	Marketing Efficiency (in %)	78.94%

The above table shows the marketing cost, marketing margin, and price spread for channel I. No intermediaries were identified through which Cashew nut reaches the consumers. The producer sells his produce to the consumer. Marketing cost when producers sold their produce to the consumer in the market was Rs.190/quintal. The net price received by the

producer is 14810/quintal. The producer share in consumer price was 98.7 percent. The price spread is Rs.190. Marketing efficiency was 78.94 percent.

**Channel-II:** Producer → Traders → Retailer → Consumer

**Table 2:** Sample average for marketing channel- II

S. No	Particulars	Rs. /Quintal
1.	Producer sale price trader	15000
2.	The cost incurred by the producer	
I	Packing cost	20(0.11)
II	Packing material cost	30(0.174)
III	Transportation cost	40(0.232)
IV	Market cost	20(0.11)
V	Labour cost	15(0.08)
VI	Loading and unloading charges	30(0.174)
VII	Weighing charges	20(0.11)
VIII	Miscellaneous charges	15(0.08)
3.	Total cost	190(1.10)
4.	Net price received by the producer	14810(86.22)
5.	The sale price of the producer to the trader	15000(87.33)
6.	The cost incurred by the trader	
I	Loading and unloading charges	30(0.174)
II	Packing cost	35(0.20)
III	Market fee	25(0.14)
IV	Commission of trader	25(0.14)
V	Losses & Miscellaneous charges	30(0.174)
VI	Trader Margin	500(2.91)
7.	Total cost	835(4.86)
8.	The sale price of Trader to Retailer	15835(92.19)
9.	The cost incurred by the retailer	
I	Weighing charges	35(0.20)
II	Loading and unloading charges	25(0.14)
III	Town charges	30(0.174)
IV	Carriage up to shop	30(0.174)
V	Miscellaneous charges	25(0.14)
VI	Retailer margin	1200(6.98)
10.	Total cost	1340(7.80)
11.	The sale price of the retailer to consumer	17175(100)
12.	Price spread	2175(12.66)
13.	Consumer paid price	17175(100)
14.	Producer share in consumer rupee	87.3%
15.	Marketing Efficiency (in %)	6.89%

The above table shows the marketing cost, marketing margin, and price spread for channel II. Two intermediaries were identified through which Cashew nut reaches to the consumer's i.e., Traders, Retailers. This is the channel among the two identified channels. The producer sells his produce to the traders and traders who in turn sell it to retailers in the market. Finally, the product reaches consumers after collecting margin. The marketing cost when producers sold their produce to traders was Rs.190/quintal. Among these cost transportation charges was most important which accounted for Rs.40/quintal, followed by loading and unloading cost Rs.25/quintal, market cost Rs.25/quintal, labour cost was

Rs.20/quintal and miscellaneous cost Rs.25/quintal respectively. The sale price of the producer to traders was Rs.15000. /quintals Above table shows the marketing cost, marketing margin, and price spread for channel II. Two different farms size group. The trader margin was estimated to be 3.3 percent and the retailer's margin was 8.0 percent of the consumer paid price. Producer share in consumer price was 17175 price spread was Rs.2175 of consumer paid price. Marketing efficiency was 6.89 percent.

**Channel-III:** Producer → Co-operatives → Wholesaler cum Commission agent → Retailer → Consumer

**Table 3:** Sample average for marketing channel- III

Sl. No	Particulars	Rs. /Quintal
1.	Producer sale price to cooperatives	15000
2.	The cost incurred by the producer	
I	Packing cost	20(0.11)
II	Packing material cost	30(0.17)
III	Transportation cost	40(0.22)
IV	Market cost	20(0.11)
V	Labour cost	15(0.08)
VI	Loading and unloading charges	30(0.17)
VII	Weighing charges	20(0.11)
VIII	Miscellaneous charges	15(0.08)
3.	Total cost	190(1.07)
4.	Net price received by the producer	14810(84.07)
5.	The sale price of the producer to cooperatives	15000(85.15)
6.	The cost incurred by the cooperatives	
I.	Loading and unloading charges	25(0.14)
II.	Packing cost	30(0.17)
III.	Market fee	25(0.14)
IV.	Commission of cooperatives	50(0.28)
V.	Losses & Miscellaneous charges	40(0.22)
7.	Cooperative Margin	600(3.40)
8.	Total cost	770(4.371)
9.	Sale price of cooperatives to wholesalers cum Commission agent	15770(89.52)
10.	The cost incurred by the wholesaler cum commission agent	
I.	Weighing charges	20(0.11)
II.	Loading and unloading charges	30(0.17)
III.	Town charges	25(0.14)
IV.	Carriage up to weighing	20(0.11)
V.	Miscellaneous charges	25(0.14)
VI.	Wholesaler cum commission agent margin	700(3.97)
11.	Total cost	820(4.65)
12.	The sale price of wholesaler cum commission agent to Retailer	16590(94.18)
13.	The cost incurred by the retailer	
I.	Weighing charges	20(0.11)
II.	Loading and unloading charges	20(0.11)
III.	Town charges	30(0.17)
IV.	Carriage up to shop	25(0.14)
V.	Miscellaneous charges	30(0.17)
14.	Retailers Margin	900(5.10)
15.	Total cost	1025(5.85)
16.	Price spread	2615(14.84)
17.	The sale price of the retailer to consumer	17615(100)
18.	Producer share in consumer rupee	85.15%
19.	Marketing Efficiency (in%)	5.73%

The above table shows the marketing cost, marketing margin, and price spread for channel III. Three intermediaries were identified through which Cashew nut reaches to the consumer's i.e. cooperatives, commission agents/ wholesalers and Retailers. The producer sells his produce to the cooperatives who in turn sell it to commission

agent/wholesalers and who in turn sell it to retailers in the market. Finally, the product reaches consumers after collecting margin. Marketing cost when producers sold their produce to cooperatives in the market was Rs.190/quintal. Among these cost transportation charges was most important which accounted for Rs.50/quintal, followed by loading and

unloading cost Rs.35/quintal, market cost Rs.25/quintal, package material cost Rs.25/quintal, packing cost Rs.20/quintal and weighing charges Rs.20/quintal respectively. The sale price of the producer to traders was Rs.15000/quintals in different farm size groups. The cooperative margin was estimated to be Rs.600., the

commission agent/ wholesalers' margin was estimated to be Rs.700 and the retailer's margin was Rs.900 of the consumer paid price. The producer share in consumer price was 85.15. price spread was Rs.2615 of consumer paid price. Marketing efficiency was 5.73 percent.

**Table 4:** Comparison of total marketing cost, total marketing margin, price spread, producer share in consumer rupee (%) and marketing efficiency in three different channels

S. No.	Particulars	Channel-I	Channel-II	Channel-III
1.	Total marketing cost	190	475	605
2.	Total marketing margin	0	1700	2200
3.	Price spread	190	2175	2615
4.	Producer share in consumer rupee (%)	98.7	87.3	85.15
5.	Marketing efficiency	7.89	6.89	5.73

Table 4 reveals that total marketing cost in channel-I was Rs.190/quintal, the price spread Rs.190/quintal, producer share in consumer rupee 98.7, marketing efficiency 7.89percentage and there is no total marketing margin respectively. The total marketing cost in channel-II was Rs.475/quintal, total marketing margin Rs.1700/quintal, the

price spread Rs.2175 /quintal, producer share in consumer rupee 87.3and marketing efficiency 6.89 percentage. The total marketing cost in channel-III was Rs.605 /quintal, followed by total marketing margin Rs.2200/quintal, the price spread Rs.2615/quintal, producer share in consumer rupee 85.15 and marketing efficiency 5.73 percentage.

**Table 5:** ANOVA for comparison of three different marketing channels

Source	Df	S. S	MSS	F. Cal	F. Tab 5%	Result	S. Ed	C.D at 5%
Channel	3	9246140.6	3082046.8	82.45	9.27662	S	136.70	296.639
Particular	1	109673.5	109673.5	2.93	10.127	NS	193.33	419.526
Error	3	112129.4	37376.4					
Total	7	9467943.6						

In the above ANOVA table, in due to size group degrees of freedom is 3, the sum of squares is 9246140.6, mean sum of squares is 3082046.8, F. Calculated value is 82.45, F. tabulated value @ 5% is 9.27662, the result is significant, standard deviation is 136.70 and critical difference is @ 5% is 296.639. In due to particulars, degrees of freedom are 1, the sum of squares is 109673.5, mean sum of squares is 109673.5, F. Calculated value 2.93, F. tabulated value @ 5% is 2.93, the result is Non-significant, standard deviation is 193.33 and critical difference is 419.526. In error, degrees of freedom are 3, sum of squares is 112129.4 and mean sum of squares is 37376.4.

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## Conclusion

The above tables represent price spread, producer's share in consumer rupee and marketing efficiency in different existing marketing channels of cotton. Among the three marketing channels identified in Srikakulam – regulated market district, channel III i.e. Producer – Cooperatives - Wholesaler – Retailer – Consumer was found more popular in the marketing of Cashew nut. The prices of Cashew nut have not been influenced by the arrivals in the Palasa market.

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