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## To analysis the marketing costs of green chilli grown under polyhouse and normal field condition

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### Abstract

The present investigation was carried out in Jaipur district of Rajasthan with a view to studying the Marketing costs of green chilli grown under polyhouse and normal field condition. Total marketing cost in selling of green chilli was higher in channel-I (₹ 457.51 per quintal) followed by channel-II (₹ 453.65 per quintal) due to the involvement of intermediaries in the marketing process. In case of normal field condition farmers the total marketing cost in selling of green chilli was higher in channel-I (₹ 403.95 per quintal) followed by channel-II (₹ 398.65) due to the involvement of intermediaries in the marketing process. In channel-III total marketing cost accounted to be ₹ 59.01 per quintal.

**Keywords:** Marketing cost, green chilli, polyhouse, normal field condition

### Introduction

Fresh Fruits & vegetables processing is also expected to increase from the current level of 2 to 25 percent of total production by 2025. Poor marketing managements prove to be the major hurdles in growth of vegetable industry. India is second largest producer of fruits and vegetables in the world. In addition, vegetables have higher productivity and shorter maturity cycle that leads to higher returns per unit area and time. This study is benefited for the producer, consumers and policymakers. It is also done for evaluation of judiciousness of the different marketing costs incurred on the performance of different marketing functions and also of the margins earned by the intermediaries involved in the process of marketing and profit earned by the producer.

### Methodology

#### Selection of markets for polyhouse and normal field conditions farmers

Krishi Upaj Mandi, Chomu (Jaipur) and Muhana Sabji Mandi (Jaipur) were purposively selected for studying the nature and magnitude of marketing costs in the marketing of green chilli.

#### Study of marketing cost in marketing of green chilli

The marketing costs was computed as follow:

Total cost of marketing was computed using the formula:

$$C = C_F + C_{m1} + C_{m2} + C_{m3} + \dots \dots \dots C_{Mn}$$

Where,

C = Total cost of marketing

C<sub>F</sub> = Cost paid by the producer – farmer from the time the produce leaves the farm till it is sold

C<sub>M1</sub>, C<sub>M2</sub> = Cost incurred by different middlemen in the process of buying and selling.

### Results and discussion

#### Marketing channels

In the study area, polyhouse farmers green chilli was observed to adopt following channels in marketing of green chilli.

Channel-I Producer → Village trader → Wholesaler-cum-commission agent → Retailer → Consumer

Channel-II Producer → Wholesaler- cum - commission agent → Retailer → Consumer

In the study area, normal field condition farmers of green chilli were observed to adopt

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following channels in marketing of green chilli produce:

Channel-I Producer → Village trader → Wholesaler-cum-commission agent → Retailer → Consumer

Channel-II Producer → Wholesaler-cum-commission agent → Retailer → Consumer

Channel-III Producer → Consumer

### Costs incurred on green chilli in polyhouse marketing in channel-I (Producer → Village trader → Wholesaler-cum-commission agent → Retailer → Consumer)

Table 1 shows that the total marketing costs were ₹ 457.51

**Table 1:** Marketing costs incurred on green chilli in polyhouse marketing in channel-I (Producer → Village trader → Wholesaler-cum-commission-agent → Retailer → Consumer), (₹ /quintal)

S. No	Particulars	Producer farmer	Village trader	Wholesaler	Retailer	Total costs
1.	Transportation	-	108.24(65.69)	-	32.56(40.79)	140.8(30.78)
2.	Crates	5.12(21.84)	9(5.46)	-	5.58(6.99)	19.7(4.31)
3.	Loading	-	8(4.85)	-	8(10.02)	16(3.50)
4.	Unloading	-	8(4.85)	-	8(10.02)	16(3.50)
5.	Cleaning	-	3(1.82)	-	-	3(0.65)
6.	Weighing	-	2(1.21)	-	2(2.51)	4(0.87)
7.	Commission charge	-	-	142.28(75.09)	-	142.28(31.10)
8.	Mandi tax	-	-	35.57(18.77)	-	35.57(7.77)
9.	Miscellaneous charges*	18.32(78.16)	26.54(16.11)	11.63(6.14)	23.68(29.67)	80.17(17.52)
	Total cost	23.44(100) [5.12]	164.78(100) [36.02]	189.47(100) [41.41]	79.82(100) [17.45]	457.51(100) [100]

Figures in the parentheses are the percentages by their respective column totals.

Figures in square brackets are the percentages by the total marketing costs.

\* Miscellaneous charges included food, tea and mobile charge.

Costs incurred on green chilli in polyhouse marketing in channel-II (Producer → Wholesaler-cum-commission agent

per quintal when producer farmers sold green chilli through channel-I (Producer → Village trader → Wholesaler-cum-commission agent → Retailer → Consumer). In this channel ₹ 23.44 (5.12 percent), ₹ 164.78 (36.02 percent), ₹ 189.47 (41.41 percent) and ₹ 79.82 (17.45 percent) were incurred by producers, village traders, wholesaler-cum-commission agents and retailers in the study area. Transportation charge and Commission were major items for marketing of green chilli which together accounted for ₹ 283.08 (61.88 percent) of the total costs of marketing.

→ Retailer → Consumer)

Table 2 it was the most common method for selling of green chilli in the study area. In this channel, the producer farmers took the produce to the Krishi Upaj Mandi and sold it to the wholesalers through commission agents. The wholesalers sold it to the retailers. The marketing costs incurred by farmers and middlemen in this channel are presented in table 2.

**Table 2:** Marketing costs incurred on green chilli in polyhouse marketing in channel-II (Producer → Wholesaler-cum-commission-agent → Retailer → Consumer), (₹ /quintal)

S. No	Particulars	Producer farmer	Wholesaler	Retailer	Total costs
1.	Transportation	122.12(66.24)	-	32.56(40.79)	154.68(34.10)
2.	Crates	9(4.88)	-	5.58(6.99)	14.58(3.21)
3.	Loading	8(4.34)	-	8(10.02)	16(3.53)
4.	Unloading	8(4.34)	-	8(10.02)	16(3.53)
5.	Cleaning	3(1.63)	-	-	3(0.66)
6.	Weighing	2(1.08)	-	2(2.51)	4(0.88)
7.	Commission charge	-	142.28(75.09)	-	142.28(31.36)
8.	Mandi tax	-	35.57(18.77)	-	35.57(7.84)
9.	Miscellaneous charges*	32.24(17.49)	11.63(6.14)	23.68(29.77)	67.55(14.89)
	Total cost	184.36(100) [40.64]	189.47(100) [41.77]	79.82(100) [17.59]	453.65(100) [100]

Figures in the parentheses are the percentages by their respective column totals.

Figures in square brackets are the percentages by the total marketing costs.

\* Miscellaneous charges included food, tea and mobile charge.

In the channel total marketing cost was estimated at ₹ 453.65 per quintal when producer farmers sold green chilli through

channel-II (Producer → Wholesaler-cum-commission agent → Retailer → Consumer). In channel-II ₹ 184.36 (40.64 percent), ₹ 189.47 (41.77 percent) and ₹ 79.82 (17.59 percent) were incurred by producers, wholesaler-cum commission agents and retailers in the study area. Transportation charge and commission were main items of costs for marketing of green chilli which together accounted for ₹ 296.96 (65.46 percent) of the total costs of marketing in the study area.

**Costs incurred on green chilli in normal field condition marketing in channel-I (Producer → Village trader → Wholesaler-cum-commission agent → Retailer → Consumer)**

Table 3 shows that the total marketing costs were ₹ 403.95 per quintal when producer farmers sold green chilli through channel-I (Producer → Village trader → Wholesaler-cum commission agent → Retailer → Consumer). In this channel ₹

18.7 (4.63 percent), ₹ 158.38 (39.21 percent), ₹ 148.76 (36.82 percent) and ₹ 78.11 (19.34 percent) were incurred by producers, village traders, wholesaler-cum-commission agents and retailers in the study area. Transportation charge and Commission were major items of costs for marketing of green chilli which together accounted for ₹ 252.90 (62.61 percent) of the total costs of marketing.

**Table 3:** Marketing costs incurred on green chilli in normal field condition marketing in channel-I (Producer → Village trader → Wholesaler-cum-commission agent → Retailer → Consumer), (₹ /quintal)

S. No	Particulars	Producer farmer	Village trader	Wholesaler	Retailer	Total costs
1.	Transportation	-	108.24(68.34)	-	32.56(41.68)	140.8(34.86)
2.	Crates	5.12(27.38)	9(5.68)	-	5.58(7.14)	19.7(4.88)
3.	Loading	-	8(5.05)	-	8(10.24)	16(3.96)
4.	Unloading	-	8(5.05)	-	8(10.24)	16(3.96)
5.	Cleaning	-	3(1.89)	-	-	3(0.74)
6.	Weighing	-	2(1.26)	-	2(2.56)	4(0.99)
7.	Commission charge	-	-	112.10(75.36)	-	112.10(27.75)
8.	Mandi tax	-	-	28.02(18.84)	-	28.02(6.94)
9.	Miscellaneous charges*	13.58(72.62)	20.14(12.72)	8.63(5.80)	21.97(28.13)	64.32(15.92)
	Total cost	18.7(100) [4.63]	158.38(100) [39.21]	148.76(100) [36.82]	78.11(100) [19.34]	403.95(100) [100]

Figures in the parentheses are the percentages by their respective column totals.

Figures in square brackets are the percentages by the total marketing costs.

\* Miscellaneous charges included food, tea and mobile charge.

**Costs incurred on green chilli in normal field condition marketing in channel-II (Producer → Wholesaler-cum-commission agent → Retailer → Consumer)**

Table 4 it was the most common method for selling of green chilli in the study area. In this channel, the producer farmers took the produce to the Krishi Upaj Mandi and sold it to the wholesalers through commission agents, the wholesalers sold

it to the retailers. The marketing costs incurred by farmers and middlemen in this channel are presented in table 4. In the channel total marketing cost were estimated at ₹ 398.65 per quintal, when producer farmers sold green chilli through channel-II (Producer → Wholesaler-cum-commission agent → Retailer → Consumer). In channel-II ₹ 171.78 (43.09 percent), ₹ 148.76 (37.31 percent) and ₹ 78.11 (19.59 percent) were incurred by producers, wholesaler-cum commission agents and retailers in the study area. Transportation charge and commission were the main items of costs for marketing of green chill which together accounted for ₹ 66.92 percent of the total costs of marketing. These cost items individually accounted for ₹ 38.80 and 28.12 percent, respectively.

**Table 4:** Marketing costs incurred on green chilli in normal field condition marketing in channel-II (Producer → Wholesaler-cum-commission agent → Retailer → Consumer), (₹ /quintal)

S. No	Particulars	Producer farmer	Wholesaler	Retailer	Total costs
1.	Transportation	122.12(71.09)	-	32.56(41.68)	154.68(38.80)
2.	Crates	9(5.24)	-	5.58(7.14)	14.58(3.65)
3.	Loading	8(4.66)	-	8(10.24)	16(4.01)
4.	Unloading	8(4.66)	-	8(10.24)	16(4.01)
5.	Cleaning	3(1.75)	-	-	3(0.75)
6.	Weighing	2(1.16)	-	2(2.56)	4(1.00)
7.	Commission charge	-	112.10(75.36)	-	112.10(28.12)
8.	Mandi tax	-	28.02(18.84)	-	28.02(7.03)
9.	Miscellaneous charges*	19.66(11.44)	8.63(5.80)	21.97(28.13)	50.26(12.61)
	Total cost	171.78(100) [43.09]	148.76(100) [37.31]	78.11(100) [19.59]	398.65(100) [100]

Figures in the parentheses are the percentages by their respective column totals.

Figures in square brackets are the percentages by the total marketing costs.

\* Miscellaneous charges included food, tea and mobile charge.

**Costs incurred on green chilli in normal field condition marketing in channel-III (Producer farmer → Consumer)**

Table 5 shows that the total marketing costs were ₹ 59.01 per quintal when producer farmers sold green chilli through channel-III (Producer → Consumer). Transportation charge was main items of costs for marketing of green chilli that accounted for 28.53 of the total costs of marketing.

**Table 5:** Marketing costs incurred on green chilli in normal field condition marketing in channel-III (Producer farmer → Consumer), (₹ /quintal)

S. No	Particulars	Producer farmer
1	Transportation charge	28.53(48.35)
2	Crates	4.5(7.62)
3	Loading	8(13.56)
4	Unloading	8(13.56)
5	Cleaning	3(5.08)
6	Weighing	2(3.39)
7	Miscellaneous charge	4.98(8.44)
	Total	59.01(100)

Figures in the parentheses are the percentages by their respective column totals.

Figures in square brackets are the percentages by the total marketing costs.

\* Miscellaneous charges included food, tea and mobile charge.

produced around urban areas of Western Maharashtra. Zonal Agricultural Research, Pune; c2001. p. 105.

### Conclusions

Total marketing cost in selling of green chilli was higher in channel-I (₹ 457.51 per quintal) followed by channel-II (₹ 453.65 per quintal) due to the involvement of intermediaries in the marketing process. Transportation charges, commission charge and mandi tax were the main items of costs.

In case of normal field condition farmers the total marketing cost in selling of green chilli was higher in channel-I (₹ 403.95 per quintal) followed by channel-II (₹ 398.65) due to the involvement of intermediaries in the marketing process. In channel-III total marketing cost amounted to ₹ 59.01 per quintal.

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