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## An economic analysis of turmeric marketing in Akola district of Maharashtra state

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### Abstract

The present study was carried out to study cost structure, returns and resource use efficiency during the year 2018-2019 based on primary data. The study was conducted in Akola, Patur and Akot tahsils based on purposive sampling. A sample of 90 turmeric growers was selected based on random sampling. In rose marketing channel, producer, wholesalers and retailer were selected for collecting the information on marketing. Producer- Village trader - wholesaler - Retailer - Consumer was the important channel through which maximum quantity was sold by the cultivators. channel-I was most profitable than channel II and channel III. The price spread was observed highest in case of channel II i.e., 825.20. Price fluctuation was the major problem faced by farmer whereas, unavailability of proper storage facilities, transportation, high commission charges was the serious problem faced by market intermediaries.

**Keywords:** Economic analysis, turmeric marketing, marketing channel

### Introduction

Indian turmeric cultivation and production trend has increased gradually over the past decades and also area of cultivation shows an increasing trend. India accounts for about 80 percent of world turmeric production (Deepa KM). Turmeric (*Curcuma longa* L.), the ancient and sacred spice of India known as „Indian saffron“, is an important commercial spice crop grown in India. It is known as the “golden spice” as well as the “spice of life” (Sahoo). India is a major supplier of turmeric to the world with more than 60 percent share in turmeric trade (Angles S). Turmeric was probably cultivated at first as a dye, and then became valued as condiments as well as for cosmetic purposes. Maharashtra state in India ranks sixth in area under turmeric cultivation. (National Horticulture Board). Akola district is well known for growing turmeric traditionally, but during last few years area under this crop has been increased tremendously with commercial production. In Akola district area under turmeric cultivation is 179 ha with production 64.20 metric tonnes in year 2017-18. Different quantities of produce which is sold by farmers move along different sets of middlemen with varying cost and efficiency, which results in varying shares of the producer in consumer’s rupee. Present study was attempted with objectives to work out the cost of handling operations in turmeric performed at farm level, to examine the patterns of utilization and disposal of turmeric and to compute marketing costs, marketing margins, price spread and efficiency of important marketing channels in marketing of dried turmeric.

### Materials and Methods

The present study was conducted in Akola district of vidarbha reigon of Maharashtra state for the period 2018-19. The selection of district and viz; Murtizapur, Patur and Akot tahsil was purposively made taking into consideration the availability of data since there is concentration of turmeric area in the selected tahsils. For the study of marketing data was collected from farmers, wholesalers and retailers about price spread, labour charges, transportation costs, commission charges, other charges if any and also the price received by them.

### Price spread (PS)

This represents the difference between the net price received by the producer- seller (PNP) and the price paid by the ultimate consumer i.e., difference between Producer’s Net Price (PNP) and Retailer Selling Price (RP).

$$PS = RP - PNP$$

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**Producer share in consumer's rupee (PSCR)**

It is the percentage of the net price received by the producer to the price paid by the consumer or selling price of retailer.

$$Ps = \frac{\text{Net price received by the producer (P}_f\text{)}}{\text{Price paid by consumer (P}_c\text{)}} \times 100$$

**Results and Discussions****Marketing of turmeric in Akola Districts**

The detail of total production, economic aspects viz., costs, returns and the efficiency of investment in the production of turmeric for the sample farmers is shown in Table 1. As such various aspects pertaining to marketing of turmeric viz., channels of distribution, price spread, producers share in consumer's rupees etc. have been studied and discussed.

**Channels of Distribution**

Marketing channels are the root through which produce move from producer to consumer. Following important channels of distribution have been observed while studying the marketing of Turmeric under study area.

Channel I: Producer → Village trader → Consumer.

Channel II: Producer → Village trader → Wholesaler → Retailer → Consumer

During the study it was observed that channel II i.e. producer→village trader→ wholesaler → retailer→ consumer is the major channel of distribution. In channel I i.e. producer→village trader →consumer quantity sold was low and this channel was mainly followed by small farmers. The producer's share in consumer rupee is maximum when less intermediaries are included.

**Table 1:** Cost of marketing of Turmeric (Rs/Qtl)

Sr. No.	Particulars	Total Price	
		Channel I	Channel II
<b>A</b>	<b>Marketing cost incurred by producer</b>		
1	Cost of Gunny Bags	30.00	32.75
2	Cost of packing	5.00	5.80
3	cost of loading	0.00	0.00
4	Transportation	0.00	0.00
5	Weighing Charges	3.20	3.65
6	Hamali	10.00	10.00
7	Commission	0.00	0.00
9	Marketing cost	48.20	52.20
10	Selling price of producer	7500.00	7430.00
11	Net price received by producer	7451.80	7377.80
<b>B</b>	<b>Marketing cost incurred by village trader</b>		
1	Storage	13.20	12.60
2	Cost of Gunny Bags	10.00	9.02
3	cost of loading	10.00	10.00
4	Transportation	60.50	65.40
5	Weighing Charges	3.40	3.00
6	Hamali	5.30	4.80
7	Commission	0.00	0.00
8	Marketing cost	102.40	104.82
9	Marketing margin	117.60	215.18
10	Selling price of village trader	7720.00	7750.00
<b>C</b>	<b>Marketing cost incurred by wholesaler</b>		
1	Storage		14.00
2	Transportation		130.20
3	Labour charges		10.00
4	Gunny bags		8.00
5	Weighing Charges		4.00
6	Hamali		6.30
7	Market cess fund		1.00
8	Market cost		173.50
9	Marketing margin		98.50
10	Selling price of Wholesaler		8022.00
<b>D</b>	<b>Marketing cost incurred by retailer</b>		
1	Transportation		25.00
2	Labour charges		10.00
3	Shop rent		8.00
4	Hamali		5.00
5	Weighing Charges		4.50
6	Marketing cost		52.50
7	Marketing margin		128.50
8	Selling Price of Retailer		8203.00
9	purchase price of consumer	7720.00	8203.00
<b>E</b>	<b>Total marketing cost</b>	150.60	383.02
<b>F</b>	<b>Total margin</b>	117.60	442.18

It is revealed from Table 1, that maximum cost of Rs. 52.20 incurred by the producer out of the total cost of marketing was Rs. 383.02 in channel II in marketing of per quintal turmeric. It decreases channel wise as in channel I it is Rs.

48.20 and total cost of marketing is Rs. 150.60.

### Channel wise price spread of Turmeric

The details about the price spread, producer's share in consumer's rupee were estimated in Table 2.

**Table 2:** Channel wise price spread of Turmeric

Sr. No.	Particular	Total cost	
		Channel I	channel II
1	Net price received by producer	7451.80	7377.80
		96.53	89.94
2	Total marketing cost incurred by producer, village trader, retailer and wholesaler	150.60	383.02
		1.95	4.67
3	Total market margin of village trader, retailer and wholesaler	117.60	442.18
		1.52	5.39
4	Purchase price of consumer	7720.00	8203.00
		100.00	100.00
5	Producer share in consumer rupee (%)	96.53	89.94
6	Price Spread	268.20	825.20

Producer's share in consumers rupee in channel II was 89.94 per cent, in channel I 96.53 per cent. It showed that if share of various intermediates decreases the producers share in consumers rupee increases. The per quintal gross price received by producer in channel II was Rs. 7430.00, net price received was Rs.7377.80. The per quintal gross price received by producer in channel I was Rs. 7500.00, net price received

was Rs.7377.80.

### Problems faced by Turmeric growers in Marketing

All the selected turmeric growers were interviewed for the problems they are facing while marketing of turmeric. The information regarding the important problems faced by growers is presented in table 3.

**Table 3:** Constraints faced by Turmeric grower during marketing

Sr. No.	Particulars	Land holding size			
		Small	Medium	Large	Overall
A)	Problems in marketing of Turmeric				
1	Inadequate storage facilities	40 (88.89)	16 (53.33)	13 (86.67)	59 (65.56)
2	Uncertainty of prices	39 (86.67)	21 (23.00)	12 (80.00)	78 (86.67)
3	Transportation	40 (88.89)	25 (83.33)	10 (66.67)	70 (77.78)
4	High commission charges	27 (35.00)	20 (66.67)	12 (12.00)	65 (72.22)
	Total	45	30	15	90

The table 3 revealed that the problem faced by turmeric growers while marketing were inadequate storage facilities, Uncertainty of prices, transportation and high commission charges. Overall percentages of these were, 65.56, 86.67, 77.78 and 72.22 percent respectively.

### Conclusions

1. Producer- Village trader - wholesaler - Retailer - Consumer was the important channel through which maximum quantity was sold by the cultivators.
2. In case of Turmeric, Producers share in consumer's rupees was highest in Channel I (Producer - Village trader- Consumer) i.e., 96.53 percent followed by channel II (Producer- Village trader - wholesaler - Retailer - Consumer) i.e., 89.94 per cent. From this, it was concluded that channel-I was most profitable than channel II and channel III. The price spread was observed highest in case of channel II i.e., 825.20.
3. The major constraints faced by Turmeric cultivators overall level was Uncertainty of prices (86.67%), high wage rate (84.44%), high cost of fertilizers and other inputs (83.33%), and transportation (77.78%).

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