



ISSN (E): 2277-7695
ISSN (P): 2349-8242
NAAS Rating: 5.23
TPI 2023; 12(5): 4578-4580
© 2023 TPI

www.thepharmajournal.com

Received: 03-03-2023

Accepted: 08-04-2023

Aditya Narayan Arora
PG Student, MBA
(Agribusiness), Department of
Agricultural Economics, Sam
Higginbottom University of
Agricultural, Technology and
Sciences, Prayagraj,
Uttar Pradesh, India

Dr. Ameesh J Stephen
Assistant Professor, Department
of Agricultural Economics, Sam
Higginbottom University of
Agricultural, Technology and
Sciences, Prayagraj,
Uttar Pradesh, India

Amit Kumar
Assistant Professor, Department
of Agricultural Economics, Sam
Higginbottom University of
Agricultural, Technology and
Sciences, Prayagraj,
Uttar Pradesh, India

Corresponding Author:
Aditya Narayan Arora
PG Student, MBA
(Agribusiness), Department of
Agricultural Economics, Sam
Higginbottom University of
Agricultural, Technology and
Sciences, Prayagraj,
Uttar Pradesh, India

Marketing margin, price spread and marketing efficiency analysis on hybrid paddy seed company (VNR seeds)

Aditya Narayan Arora, Dr. Ameesh J Stephen and Amit Kumar

Abstract

A study was conducted to analyze the marketing pattern of hybrid paddy seed companies. It was conducted between distribution channels of Hybrid seed company namely VNR Seeds in Sihora block in the Jabalpur District of Madhya Pradesh, both primary and secondary data were used in this study. VNR seeds are highly sought-after for the short-duration crop in the research region. In the research area, the VNR 2111 is a variety that is particularly well-liked due to a result of the Sihora Block's poor rainfall, more short-term paddy is in demand than in other rice segments. The 100 farmers were selected from Sihora Block and 6 market intermediaries selected and data was collected using pre-tested questionnaires. It was observed, marketing efficiency index of channel I was the most efficient one, this is because channel I involves only few intermediaries and hence, it is the most efficient among the identified channels. Price Paid by consumer for hybrid paddy seed was high in channel-II, as compared with channel I.

Keywords: Distribution channels, total marketing cost, market efficiency, marketing margin and price spread

1. Introduction

The second-largest producer of rice in the world and its greatest exporter is India. From 53.6 million tonnes in FY 1980 to 120 million tonnes in FY 2020–21, production increased. One of India's staple cereals is rice. As one of the main food crops, rice is also being developed in the largest area in this country. One of the major producers of this harvest is India. The staple food crop is rice, which thrives in warm, sticky climates because it is a tropical plant. In areas where there is heavy yearly precipitation, rice is essentially filled. As a result, in India, it is predominantly a kharif crop. It calls for a minimum temperature of 25 degrees Celsius and a maximum of 100 centimeters of precipitation. In areas with equally little rainfall, rice is also grown utilizing water systems. In the eastern and southern regions of India, rice is the primary diet.

The major goal of planting hybrid seeds is to enhance the characteristics of the plants that result, such as increased uniformity, disease resistance, and better yield. The primary goal is to generate hybrid rice that has high seed output, superior grain quality, tolerance to important environmental challenges, and numerous resistances to insect pests and diseases.

The hybrid paddy seeds market is projected to develop at a 12.70% annual pace from 2021 to 2028, reaching USD 6.300 billion. The market for hybrid paddy seeds will advance due to the rising demand for paddy across the world. Future food security is significantly enhanced by hybrid paddy seeds. Paddy is a food source for about half of the world's population. Because to its genetic enhancement, hybrid rice offers a 15–30% yield advantage over ordinary paddy farmed by farmers.

While the private sector's share increased from 57.28 percent to 64.46 percent during the same period, the public sector's share of seed production in India decreased from 42.72 percent in 2017–18 to 35.54 percent in 2020–21, underscoring the growing significance of the private sector in the country's seed industry. According to the Department of Agriculture, Cooperation and Farmers Welfare, the 25th report on Demands for Grants (2021–22) given to the Lok Sabha in March this year lists over 540 private seed firms, including those with Indian roots and multinationals operating in the nation.

Bayer Crop Science, Nuziveedu Seeds, and Rasi Seeds, as well as other well-known vendors such as Advanta, VNR Seeds, Bioseed, DuPont Pioneer, Kaveri Seeds, Syngenta, JK Seeds,

Dhanya, Rallis India, Savannah, & PAN Seeds are all active in the Indian hybrid seed market.

2. Methodology

2.1 Selection of District

Madhya Pradesh state consists of 10 divisions with 52 districts. Out of these, Jabalpur was most preferable due to its climatic condition which is suitable for the paddy cultivation. Researcher knows the local language of the district and well within the reached. Therefore, Jabalpur district was selected purposively for the study.

2.2 Selection of block

There are 7 blocks in Jabalpur district. Among them Sihora block was selected due to the Farmer's land holding capacity and its high demand of paddy seeds. That's why this block was selected purposively for the study.

2.3 Selection of Villages

Complete list of the village of selected block was obtained from the block development office of the concerned block. There 5% villages were selected randomly Out of 139 villages.

2.4 Selection of Respondents

A village wise list of all the respondent having paddy farm in the sample village was prepared along with the size of their operational holding. Further these respondents were stratified on the basis of their holding size. A complete list of all 5% farmers was selected randomly.

2.5 Market Functionaries

Primary and secondary market was selected randomly for the data collection.

Tool Used For Analysis

(1). Marketing Margin

Marketing Margin= Retail or Selling price - Actual cost

(2). Marketing Efficiency

$$\text{Marketing Efficiency (E)} = \frac{\text{Consumer Price}}{\text{Total Marketing Cost}}$$

(3). Total Marketing Cost:

$$C = C_f + C_{m1} + C_{m2} + C_{m3} + \dots + C_{mn}$$

Where.

C = Total cost of marketing

C_f = Cost borne by the producer farmer from the produce leaves the farm till the sale of the produce, and

C_{mn} = Cost incurred by the middlemen in the process of buying and selling

(4). Price Spread

$$\text{Price Spread} = \frac{\text{Consumer Price} - \text{Net price of Producer}}{\text{Consumer Price}}$$

3. Results and Discussion

3.1 Distribution Channels of VNR Seeds Pvt. Ltd.

Channel-I



Channel-II



Table 1: Price spread of VNR seeds under different distribution channels

S. No.	Particulars	I	II
1.	Net price received by the producers	280	260
2.	Marketing cost incurred by producers	1	2
3.	Producer's sale price	281	262
4.	Marketing cost incurred by Wholesaler	-	3
5.	Wholesaler net margin	-	30
6.	Wholesaler's sale price	-	295
7.	Marketing cost incurred by retailers	1.5	2.5
8.	Retailer's net margin	20	20
9.	Total marketing cost	2.5	7.5
10.	Total Marketing Margin	23.5	57.5
11.	Marketing Efficiency	121.4	42.3
12.	Producer share in consumer's rupees	92.26%	81.89%
13.	Consumer's price	303.5	317.5
14.	Price Spread	0.07	0.18

Table 1, reveals about the marketing efficiency of different distribution channels in which marketing efficiency of channel I by conventional method is 121.4, marketing efficiency of channel II is 42.3. The total marketing margin was high in channel II (57.5) as compared to channel I (23.5). Price spread of channel I is 0.07, price spread of channel II is 0.18.

4. Summary and Conclusion

In conclusion, as in Madhya Pradesh about 1/3rd area of paddy is under hybrid rice particular in under irrigated production system. Rice hybrid produce about 14-18 % higher grain yield include a more vigorous and extensive root system. Now, farmers are growing rice hybrids in lowlands and bunded uplands under irrigated ecosystem in M.P. And Jabalpur division in particular consequently. Among the total rice production in the State, more than 75.00 per cent of it's from rain fed and less than 25.00 per cent from irrigated areas. So analyzing Marketing efficiency, Marketing cost and Price spread is crucial for company to increase its market share and to gain competitive advantage.

Study reveals about the price spread of different distribution channels of VNR Seeds, in which price spread of CHANNEL I is 0.07 and price spread of CHANNEL II is 0.18. The total marketing cost in CHANNEL I is 2.5 and in CHANNEL II the total marketing cost is 7.5. The Marketing Efficiency of CHANNEL I is 121.4 and in CHANNEL II marketing efficiency is 42.3.

Inter channel comparison revealed that the producer's share in consumer rupee was maximum in channel I against others channels. Marketing cost incurred by the producer increases

with increase in the Intermediaries/functionaries.

5. References

1. Srivastava SK. Marketing efficiency and Marketing channels for Paddy crop in the eastern region of Uttar Pradesh. *Economic Affairs*. 2017;62(2):289-296.
2. Singh K, AJ DS, Zecariah J. Study on marketing of hybrid paddy (VNR 2233) in Balrampur district of Chhattisgarh. *The Pharm Innov J*. 2022, p.88-94.
3. Mohapatra S, Mohapatra U, Chandana KSS, Mishra RK. Economic analysis of paddy production and marketing in puri, Odisha. *Journal of Pharmacognosy and Phytochemistry*. 2018;7(4):1858-1861.
4. Saravanakumar V, Kiruthika N., Economic analysis of production and marketing of paddy in Tamil Nadu. *International Research Journal of Agricultural Economics and Statistics*. 2015;6(2):249-255.
5. Kinhale CP, Kshirsagar PJ, Talathi JM, Torane SR, Dhekale JS. Economic analysis of marketing of paddy in Raigad district (MS). *International Research Journal of Agricultural Economics and Statistics*. 2020;11(1):21-28.
6. Kumar V, Kumar V, Kumar A, Kochewad S, Singh M. Marketing Channels, Marketing Cost, Margin and Producer's Share in Consumer's Rupee in Paddy Marketing. *Agro-Economist*. 2017;4(1):21-27.
7. Behera P, Mishra SN, Mishra RK, Mishra BP, Pradhan PN. A study on value chain analysis of paddy in Bargarh district of Odisha. *Marketing*. 2022;14(15.32):13-00.
8. Dinesh V, Sharma A. Marketing margin, price spread and marketing efficiency analysis on different poultry farms. *International Journal of Current Microbiology and Applied Sciences*. 2019;8(6):1039-1046.