

Economics of Marketing of Brinjal in Coimbatore District

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The present study is an attempt to identify the different market channels in brinjal marketing and work out the price spread. It was found that 83 percent of the total quantity marketed moved through the channel, 'producer - Commission agents - whole saler-retailer-consumer'. The results indicated that producers on an average, realised less than half of the consumer's price only.

Agricultural marketing systems have an important role to play in dominantly agrarian economies. Inadequate market infrastructure and unpredictable prices are considered to hamper accelerated agricultural development. Unlike the industrial sector which has fostered a secured market, agricultural sector is of ten a victim of whimsical play of free market. The decentralized nature of farm production further complicate the problem of marketing. In recent years the magnitude of marketing problems assumed further proportions with transformation of agricultural sector producing higher marketable surplus. It is then, needless to say that increased attention and efforts are warranted to promote agricultural marketing to safeguard the interests of the producers.

The present analysis makes an attempt to understand some of the problems in marketing of Brinjal an important vegetable in Coimbatore district. Specifically, the objectives of the study were (i) identify the marketing channels for brinjal (ii) estimate the marketing margins for different channels and (iii) study the spatial differences in the producer's prices of brinjal.

MATERIAL AND METHODS

Multistage sampling was adopted for selecting the producer respondents. Four Development Blocks, two from each of two agricultural divisions in Coimbatore district, were selected based on the area under brinjal, at the first stage of sampling. The selected Blocks were Madukkarai and Karamadai in Coimbatore agricultural division and Pollachi South and Anaimalai in Pollachi agricultural division. In the next stage, two villages from each block were selected randomly thus making eight sample villages for study. In the final stage, 80 farmers, equally allocated among eight villages, were selected randomly. In addition, four markets viz. Pollachi, Karamadai, Sundarapuram and Thyagikumaran market (Coimbatore city) were selected to study the marketing margins and price behaviour. In the four markets selected, in total 12 commission agents, 12 wholesale traders and 16 retailers, were contacted for obtaining relevant information. The data pertained to the agricultural year 1979-80. The method of 'Concurrent margins' (Dutia and Chandra 1965, Sinha *et al.* 1979) was adopted to estimate the price spread in

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the present study. The concept of 'Concurrent margins' refers to the difference between the prices prevailing at successive stages of marketing on the same date.

RESULTS AND DISCUSSION

In the sample farms, brinjal growers resort to harvesting twice a week during the peak bearing period. The market transaction starts as early as 2.00 A. M. and extends upto 9.00 A. M. in the Karamadai market. Preparation for the market did not involve much of work because even while plucking the vegetables damaged by the pests and diseases and over ripening were separated. The low quality produce, on an average, constituted 5 to 10 percent of the total production. Brinjal is packed in small gunny bags which hold about 15 to 20 kgs. Transport of brinjal from the farm gate to assembling market is done through bullock carts, tempos, lorries, buses and tractors.

Major part of the produce is directly taken to the assembling markets by the producers themselves. To a smaller extent, the produce is disposed off in nearby weekly shandies. The marketing channels identified for brinjal are

1. Producer - Commission agents - Wholesaler Retailer-Consumer
2. Producer - Commission agents - Retailer - Consumer
3. Producer-Retailer-Consumer
4. Producer - Commission agent - Co-operative supermarket - Consumer

5. Producer - Consumer.

It was estimated that about 83 per cent of the total quantity marketed, moves through channel I, which was observed to be the most important channel in the study area.

The price spread of brinjal, moved through different market centres, are presented in Table I. It can be seen that the percentage of producer's share in the consumer's price varied from 36.81 per cent to 57.40 per cent among different market centres. A closer examination of the results suggest that the producers, on an average, receive a little less than half of the consumer's price and the remaining goes to intermediaries. About one third of consumer's price constitutes wholesaler's and retailer's margin put together. Commission agents slice away seven per cent of the consumer's rupee. The wholesalers get 25 per cent of consumer's rupee, in two of the market centres. There exists scope to reduce the margin without affecting the normal profit of the intermediaries. This is fortified by the fact that the producer gets approximately 10 to 20 percent more in the absence of the wholesaler, as evidenced from the price spread worked out for Sundarapuram market (vide Table 1).

In order to understand the spatial variations in producer's price of brinjal, prices prevailed in the four markets in different points of time were recorded. The details are shown in Table 2.

In all the four points of time, the price ruled higher in Thyagi Kumaran Market than in the other three markets.

The presence of large number of buyers attributed to increased competition in Thyagi Kumaran Market which facilitated higher prices. Particularly the retailers who directly purchase from the producers through Commission agents offered higher prices because wholesaler's margin was completely eliminated. Thus increased competition in assembling markets resulted in higher prices for producers.

It can be suggested from the results that opening up of new assembling markets around villages growing brinjal in large areas would facilitate efficiency in marketing. Improving the market intelligence is *sine-quo-non* to efficient

marketing system. Organized market facilities should also be extended to the vegetables and these markets should perform the function of commission agents with minimum market charges.

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Table 1 Price Spread For Brinjal In Coimbatore District

Functionary/items of cost	Vettaikaran Pudur to Trichur Kerala (via) Pollachi Market		Nachipalayam to Coimbatore (via) Thyagi-kumaran market		Madukkerai to Ukkadam (Coimbatore) (via) Sundarapuram market		Velliangadu to Udagaman dalam (via) Karamadai market	
	Rs./ Qtl.	Percentage	Rs./ Qtl.	Percentage	Rs./ Qtl.	Percentage	Rs./ Qtl.	Percentage
Net price to the producer	47.00	36.81	66.28	48.88	65.64	57.40	65.00	42.62
Cost incurred by the producer								
i. Packing	1.00	0.78	1.00	0.74	1.00	0.87	0.50	0.33
ii. Transportation	6.00	4.70	9.00	6.64	4.59	3.94	4.50	2.95
iii. Brokerage	-	-	-	-	-	-	6.00	3.93
iv. Handling	3.00	2.35	2.50	1.84	2.50	2.19	3.00	1.97
v. Market fee	1.20	0.94	2.40	1.76	2.50	2.19	1.50	0.98
vi. Commission charges	3.72	2.92	9.02	6.65	8.46	7.39	...	...
Producer's sale/Wholesaler's Purchase price	61.92	48.50	90.20	66.51	...	...	80.50	52.78

Contd.

Table 1 contd.

	1	2	3	4	5	6	7	8	9
Cost incurred by wholesaler									
i. Packing	8.00	6.27	...	...	...	...	1.00	0.68	
ii. Transport	1.00	0.78	...	...	...	...	10.00	6.56	
iii. Handling	6.00	4.70	0.90	0.66	...	...	5.00	3.28	
iv. Others	...	...	...	...	...	...	...	...
Wholesaler's profit	32.00	25.06	25.50	18.80	...	...	38.00	24.92	
Wholesaler's sale/retailer's purchase price	108.92	85.31	116.60	85.97	84.60	73.98	134.50	88.20	
Cost incurred by retailers									
i. Transport	1.75	1.37	2.75	2.02	3.50	3.06	1.50	0.98	
ii. Handling	1.00	0.78	1.25	0.92	1.50	1.31	1.50	0.98	
iii. Others	...	...	...	...	...	...	...	...
Retailer's profit	16.00	12.54	15.00	11.00	24.75	21.65	15.00	9.84	
Retailer's sale/Consumer's price	127.67	100.00	135.60	100.00	114.35	100.00	152.50	100.00	

Table 2

Spatial Variations in Producers' Price of Brinjal

(Rs. / Qtl)*

Point of time	Markets			
	Thyagi Kumaran market	Sundara- puram	Karamadai	Pollach
27 March, 1980	85.00	78.0	68.0	70.0
26 April, 1980	95.0	86.0	75.0	75.0
18 May, 1980	87.0	81.0	66.0	65.0
3 June, 1980	65.0	61.0	56.0	

*The price figures were rounded up.