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**Marketing Cost And Price Spread Of Green And Yellow Raisins in Western Maharashtra – A Study.**

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**Abstract**

The study was conducted in Sangli and Solapur districts on the basis of facility of raisins auction sale in Tasgaon, Sangli and Pandharpur Organized markets of Maharashtra State. The present investigation was carried out to study marketing cost and price spread of green and yellow raisins in Western Maharashtra. Green and yellow types of raisins have been produced in the Western Maharashtra. Marketing cost of green raisins accounted for Rs.11.25 per Kg and yellow raisins for Rs.11.50 per Kg. Gross price received to the green raisin producers was Rs.150 per Kg and price paid by the consumers was Rs.225 per Kg. Gross price received to the yellow raisin producers was Rs. 140Per Kg and price paid by the consumers was Rs.195.

Keywords: Marketing, Cost, Price, Green Raisin, Yellow Raisin, Hamali, Price Spread. Introduction

On 13th march 1994 the regulated market for raisins was established at Tasgaon in Sangli district. The Tasgaon market is one of the big and famous regulated market for raisins in the Asian country. After that Sangli and Pandharpur regulated markets in western Maharashtra and Nasik regulated markets for raisin established. In this regulated market auction method is followed for raisins marketing. On the basis of sample of raisins the open auction is done. The raisin producers before sale of their produce, first contacts with the commission agents in the market and after his consent, hand over the sample of their produce for action. At the market day, the wholesalers and traders from different places in country take part in open auction sale. The prices are given according to the quality and grade of the raisins. Thus the open auction method of sale is followed which has helped to reduce the number of intermediaries in marketing of raisins, it is also found beneficial to avoid the cheating of producers and to get better prices for their produce. Moreover, the transportation charges are also less and the raisin producers can get the amount of sale within 30 days after auction takes place.

**Objective of the Study**

The objectives of the study are to find out marketing cost and price spread of green and yellow raisins

**Methodology and Sampling Design**

The present study is based on both the primary and secondary data. The primary data were collected from raisin producers, commission agents and traders. The secondary data were collected from books and journals. A sample of 528 raisins producers farmers from 44 villages of 16 Tahsils of Sangli and Solapur districts in Maharashtra State have been selected by multi-stage random sampling method. The researcher has used Godden's formula for the purpose of adequacy of sample size because it is very difficult to determine the exact number of raisin producer farmers. There is no central agency to register them as raisin producer farmers. In each village researcher has selected 6 raisin producing farmers from each category as under.

- Farmers producing raisins less than five tonnes.
- Farmers producing raisins more than five tonnes.

### Marketing Cost of Green Raisins Per Kg

The marketing cost constitutes the expenses on grading, packaging, transportation, hamali, commission charges and other charges. Cost of marketing affects the producer's net share in the consumer rupee. An attempt has been made to work out the item wise cost of marketing per kg and same is presented in table 1:

**Table 1 Marketing Cost of Green Raisins (Rs/Kg)**

Sr. No.	Items	Category I	Category II	Total
1	Grading	2.40	2.30	2.35
2	Packaging	2.10	2.00	2.05
3	Transport charges	1.20	1.40	1.30
4	Hamali	0.40	0.40	0.40
5	Commission charges	3.00	3.00	3.00
6	Cold Storage charges	1.40	1.40	1.40
7	Other charges (market fee, Entry fee etc.)	0.80(7.08)	0.70(6.25)	0.75(6.67)
8	Total Marketing cost	11.30(100)	11.20(100)	11.25(100)

#### Source - Field survey

Note - Figures in parentheses indicates percentage to the total.

Table 1 indicates that component of marketing cost of green raisins. Grading cost of first category is Rs 2.40 and second category is Rs 2.30 and average of both categories is Rs 2.35. Packing cost of first category is Rs 2.10 and second category is Rs 2.00, Transport charges of first category is Rs 1.20 and second category is 1.40. Hamali, commission and cold storage charges are similar in both of categories. In marketing cost overall commission charges of both categories is 26.27 percent which is more than the other components. Similarly grading charges is 20.89 percent, packing charges is 18.22 percent which is also more than the other marketing cost components.

### Marketing Cost of Yellow Raisins per Kg.

As compared to green raisins very few raisin producers and entrepreneurs produces yellow raisin. The prices of yellow raisins are less as compared to green raisins. Collected data in connection with, marketing cost of yellow raisins can be presented and analyzed similar to green raisins.

**Table 2 Marketing Cost of Yellow Raisins (Rs/kg)**

Sr. No.	Items	Category I	%	Category II	%	Total	%
1	Grading	2.60	22.22	2.50	22.12	2.55	22.17
2	Packaging	2.30	19.66	2.20	19.47	2.25	19.57
3	Transport charges	1.40	11.97	1.30	11.50	1.35	11.73
4	Hamali	0.40	03.42	0.40	3.54	0.40	3.48
5	Commission charges	2.80	23.93	2.80	24.78	2.80	24.35
6	Cold Storage charges	1.40	11.96	1.40	12.39	1.40	12.17
7	Other charges (market fee Entry fee)	0.80	06.84	0.70	6.20	0.75	6.53
8	Total marketing cost	11.70	100	11.30	100	10.95	100

**Source - Field survey**

Table 2 shows that component of marketing cost of yellow raisins. Grading cost of first category is Rs 2.60 per kg and second category is Rs 2.50 per kg. It means that grading cost of first category is more than the second category,. Packing charges of first category is Rs 2.30 per kg and second category is Rs 2.20 per kg. It is observed that second category benefited by large scale production. Transport charges of first category is Rs 1.40 per kg and second category is Rs 1.30 per kg. Due to bulk transport of raisin by second category respondents so they save in transport cost. Hamali, commission charges and cold storage charges are equal in both categories. Overall commission charges is 24.35 percent, packing charges is 22.17 percent which are more than the other component of marketing cost. **Comparative Marketing Cost of Green and Yellow Raisins per Kg.**

**Table 3 Comparative Marketing Cost of Green and Yellow Raisins (Rs/Kg)**

S.No	Items	Green	Percentage	Yellow Raisin	Percentage
1	Grading	2.35	20.89	2.55	22.17
2	Packaging	2.05	18.22	2.25	19.57
3	Transport charges	1.30	11.56	1.35	11.73
4	Hamali	0.40	3.55	0.40	3.48
5	Commission charges	3.00	26.67	2.80	24.35
6	Cold storage charges	1.40	12.44	1.40	12.17
7	Other fees	0.75	6.67	0.75	6.53
	<b>Total marketing cost</b>	<b>11.25</b>	<b>100</b>	<b>11.50</b>	<b>100</b>

**Source - Field survey**

Table 3 indicates comparison per kg marketing cost of green and yellow raisins. Grading cost of green raisins is Rs 2.35 per kg and yellow raisin is Rs 2.55 per kg., packing cost of green raisins is Rs 2.05 per kg and yellow raisins is Rs 2.25 per kg. Informal discussion with the raisin producers, researcher knows that more grading and packaging is essential to the yellow raisins. Transport charges of green raisins is Rs 1.30 per kg and yellow raisins is Rs 1.35 per kg. Yellow raisins produced on small scale so transport cost of yellow raisins increased. Commission charges of green raisins are Rs 3.00 per kg, whereas yellow raisins are Rs 2.80 per kg. It is due to that commission charged of 2% on sale proceeds raisins. Green raisins received higher price than the yellow raisins. Cost of components of hamali, cold storage charges and other expenses are same of green and yellow raisin.

**Price Spread in Marketing of Green Raisins per Kg.**

Price spread refers to the difference between the price paid by the consumer and price received by the producer for raisin produce. Price spread consists of marketing cost and margin of the middlemen which ultimately determines the overall efficiency of marketing system. Since bulk of the produce was sold through channel, producer - commission agent -wholesaler -Retailer - consumer, the same was considered for analysis of price spread. The price spread in marketing of one kg of green raisins had been worked out based upon average price received to raisins producers as well as information given by the traders in Tasgaon, Sangli and Pandharpur market. The average per kg consumer price was Rs 225 during the march 2010.

**Table 4 Price Spread in Marketing of Green Raisins (Rs/Kg)**

Sr. No.	Items	Price Spread	Percentage
1	Gross price received by the producers	150	66.67
2	Market expenses incurred by the producers	8.25	3.67
3	Commission revived by the commission agents @2%	3.00	1.33
4	Net price received by the producers	138.75	61.67
5	Expenses incurred by the wholesalers	16.41	7.29
6	Margin of the wholesalers	10.30	4.58
7	Expenses in curried by the retailers	11.11	4.94
8	Margin of the retailers	37.18	16.52
9	Price paid by the consumers in market	225	100

**Source- Complied by researcher.**

Table 4 shows that expenses incurred by the producers in market were to the extent of 3.67 percent of the price paid by consumers in the market. The producer's net share in the consumer's rupee was worked out to 61.67 percent. The share of commission agents in consumer's rupee was 1.33 percent. The expenses incurred by the wholesaler 7.29 percent and margins of the wholesaler was 4.58 percent in the consumer rupee. The percent share of retailer's expenses and retailer's margin in consumers rupee was 4.94 percent and 16.52 percent respectively. Thus it is seen that about 21.10 percent share was taken by the intermediaries in marketing of raisins. The margin taken by the retailers in marketing of green raisins was high because of the risk involved in storage and maintenance of quality of raisins quite expensive. In spite of this efforts to be made in order to increase the producers share in consumer's rupee.

**Price Spread in Marketing of Yellow Raisins per Kg.**

The price spread in marketing of one kg of yellow raisin had been worked out based upon average price received to raisin producers as well as information given by the traders registered in Tasgaon, Sangli and Pandharpur market. The average per kg consumer price for yellow raisin was Rs 195 during March 2010.

**Table 5 Price Spread in Marketing of Yellow Raisins (Rs/Kg)**

S.No.	Items	Price	Percentage
1	Gross price received by the producers	140.00	71.79
2	Market expenses incurred by the producers	8.70	4.46
3	Commission revived by the commission agents @2%	2.80	1.44
4	Net price received by the producers	128.50	65.89
5	Expenses incurred by the wholesalers	10.11	5.19
6	Margin of the wholesalers	15.06	7.72
7	Expenses in curried by the retailers	12.17	6.24
8	Margin of the retailers	17.66	9.06
9	Price paid by the consumers in market	195	100

**Source - Complied by researcher.**

Table 5 shows that the yellow raisins producer's net share in the consumer's rupee was worked out 65.89 percent. The share of commission agents in consumer's rupee was 1.44 percent. The percent share of expenses incurred by the wholesaler and margin of wholesaler was 5.19 and 7.72 respectively in consumer's rupee. The percent

share of retailer's expenses and retailers margins in consumer's rupee was 6.24 and 9.06 respectively. Thus it is seen that about 16.78 percent share was taken by the intermediaries in marketing of yellow raisins.

**Comparative Price Spread in Marketing of Green and Yellow Raisin per Kg.**  
**Table 6 Comparative Price Spread In Marketing of Green and Yellow Raisin (Rs/Kg).**

Sr. No. No.	Items	Green Raisin	Percent age	Yellow Raisin	Percentage
1	Gross price received by the producers	150	66.67	140.00	71.79
2	Market expenses incurred by the producers	8.25	3.67	8.70	4.46
3	Commission to commission agent @ 2 percent	3.00	1.33	2.80	1.44
4	Net price received by the producers	138.75	61.67	128.50	65.89
5	Expenses incurred by the wholesaler	16.41	7.29	10.11	5.19
6	Margin of the wholesalers	10.30	4.58	15.06	7.72
7	Expenses incurred by the retailers	11.11	4.94	12.17	6.24
8	Margin of the retailers	37.18	16.52	17.66	9.06
9	Price paid the consumers	225	100	195	100

**Source - Complied by Researcher.**

Table 6 shows that market expenses incurred by the yellow raisin producers (4.46 percent) is higher than the green raisin producers (3.67 percent). The share of commission agents in consumer's rupee of green raisins is (1.33 percent) less than yellow raisins (1.44 percent) it shows that higher price received to green raisins. Net price received to yellow raisin producers (65.89 percent) is excess of green raisin producers (61.67 percent). It shows that excess margin of retailers in green raisins marketing. Margin of the wholesalers in case of yellow raisins (7.72 percent) is higher than the green raisins marketing. But margin of the retailers in green raisins (16.52 percent) are so higher than the yellow raisins (9.06 percent). It shows that retailers receives higher margin in green raisin marketing than the yellow raisin marketing.

**Conclusion :**

From the above analysis it is concluded that grading, Packaging and commission charges are high which decreases income of raisin producers. Margin of wholesalers and retailers is having been calculated 21.10 percent of green raisins and 16.78 percent of yellow raisins. It results that raisin producer farmers received less in consumer's rupee. In order to avoid high margin, raisin marketing is to be based on certain values, principles and philosophies such as offering fair prices to the farmers who toil hard to till. This will help in reducing the wide gap prevailing between price paid by the consumers and price received to the raisin producers. Marketing cost can be reduced from the collective and integrative efforts from organized markets, commission agents and traders.

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