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PRICE SPREAD AND MARKETING EFFICIENCY IN PADDY CULTIVATION: A STUDY ON TIRUNELVELI DISTRICT

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ABSTRACT

Paddy has immense regions of level land, rich soil wild climatic varieties for different kinds of yields, sufficient daylight and a long developing season. Today, the net sown zone of India is around 143 million hectares. India has the impressive level of land under development on the planet. Notwithstanding the way that extensive regions in India after freedom have been brought under water system, just a single third of the trimmed region is really inundated. The profitability of Agriculture is low. The market defect and the resulting misfortune in promoting productivity are increasingly articulated in business sectors for transitory wares which require brisk transportation and better storerooms, including substantial number of middle people who remove high edges from the cost paid by buyers. Paddy has a pride for its assorted uses as well as for its extraordinary inclination by buyers - rich and poor, while it is additionally exposed to the above expressed creation and showcasing issues. Henceforth, the present investigation makes an endeavor to examine the creation and promoting of paddy in Tirunelveli District. The major objective of the study is to find out the price spread and marketing efficiency in Paddy Cultivation.

Keywords: Paddy Cultivation, Agricuture, Farmers, Marketing Efficiency, Tirunelveli District

INTRODUCTION

India is an extraordinary nation before farming. It has immense regions of level land, rich soil wild climatic varieties for different kinds of yields, sufficient daylight and a long developing season. Today, the net sown zone of India is around 143 million hectares. India has the impressive level of land under development on the planet. Notwithstanding the way that extensive regions in India after freedom have been brought under water system, just a single third of the trimmed region is really inundated. The profitability of Agriculture is low. Cultivating depends primarily upon storm rain. The vast majority of the generation includes

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nourishment crops. Agriculturists possess their little costs of land and develop trims basically for utilization. Indeed, even storerooms for yields are insufficient. Presently utilization of pesticides and composts has expanded and extensive territories have been brought under high yielding assortment of seeds. This prompted green transformation in a few sections of India. This has helped yields per hectare and also adds up to generation of various products progressively.

For an extensive stretch of time, Indian agribusiness depended on subsistence cultivating. Under this framework there was next to no attractive overflow. Indeed, even that little amount was sold instantly after collect to the town dealers and cash moneylenders at costs impressively lower than the market costs. In the event that the agriculturists dared to take their attractive surplus to the Mandies (Wholesale market), they were gone up against with ground-breaking and sorted out merchants and a huge chain of go betweens and also various indistinct and unspecified charges. Thus, the offer of the agriculturists in the cost was significantly decreased. Also, the ranchers were left without appropriate warehousing offices. Ill-advised capacity of grains in pits, mud vessels, and insufficient storage facilities brought about extensive wastage. Absence of putting away offices antagonistically influenced the backbone of the agriculturists to decide on great time for the transfer of their surplus creates at very beneficial costs. In addition, nonattendance of satisfactory transport offices, showcasing data and acknowledge offices and also their squeezing needs drove them to the critical need of enjoying 'trouble deal' of their create .

Comparing to the progressions and upgrades in agricultural advertising in India, changes of expansive hugeness have occurred in rural showcasing in Tamil Nadu and every other condition of the nation. The advertising channels and procedures have experienced phenomenal changes. The market defect and the resulting misfortune in promoting productivity are increasingly articulated in business sectors for transitory wares which require brisk transportation and better storerooms, including substantial number of middle people who remove high edges from the cost paid by buyers. Paddy has a pride for its assorted uses as well as for its extraordinary inclination by buyers - rich and poor, while it is additionally exposed to the above expressed creation and showcasing issues. Henceforth, the present investigation makes an endeavor to examine the creation and promoting of paddy in Tirunelveli District. The major objective of the study is to find out the price spread and marketing efficiency in Paddy Cultivation

The disproportionate sampling method used in the present investigation. An example of agriculturists gathered from four diverse sorts to be specific Marginal Farmers (60) Small Farmers (60), Medium Farmers (60) and Large Farmers (60) from each locale. In light of the data assembled of a homestead level, a point by point plan was drafted, pre-tried and utilized in the field-study. The goals of the examination were unmistakably disclosed to the agriculturists by and by and their co-activity guaranteed. The insights about the general qualities of the example

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agriculturists, cultivate structure, size of holding, editing example, cost and returns, strategies for deal, amount held, amount sold and different perspectives identifying with the general destinations of the examination were gathered from the example category of farmers through the immediate individual meeting technique.

REVIEW OF LITERATURE

George (1974) saw that in the discount showcase, ranchers acknowledged not exactly 50% of the retail cost in his investigation on 'Nagpur Oranges'. Vast ranchers could modify deals to acquire better costs. Agriculturists couldn't understand greatest returns. Regardless of low costs and postponed installments, agriculturists kept on disparaging these operators as they propelled cash to the ranchers previously the development season.

Sekhar (2008) showing the long haul improvements of rice market to think about the accessibility and costs of rice as present worldwide emergency. He pointed that the prudent fare strategies for keeping up sustenance securities would cause the shakiness in rice showcases around the globe. Further, he contended that high topographical incident of creation and utilization and more elevated amounts of destitution in Asia. At last he proposes that the there is dire need to make rice hold framework at comprehensively.

Aung (2012) contemplate on "Creation and Economic Efficiency of Farmers and Millers in Myanmar Rice Industry". Here the creator of this investigation was shown that about horticulture changes since 1990s and the basic job of these changes was empower private markets to perform better by supplanting prevailing open segment, empowering the improvement of private segment, letting value job in the distribution of elements of creation, products, and administrations. One of the real clarifications for past heightening of rice creation in the nation is to get the value dependability and accomplish sustenance security in some provincial and urban regions. The creator focused relationship among market pointers, family unit qualities, and generation effectiveness especially amid this unfurling procedure of rural and market changes. Here the creator persuade the strategy producers to execute change estimates adding to upgrading rural generation proficiency is affected by market pointers and family unit qualities. The sources of info advertises under the market change process, and after that benefit expansion turns into a financial objective.

Kaur et al., (2013) considered on "Generation Costs And Efficiency of Marketing of Paddy (PR 106) in Hanumangarh District of Rajasthan". the examination led on zone under high creation to be specific on Hanumangarh region of Rajasthan. They chose Tibbi and Tehsil based on paddy development. They considered 50 agriculturists to break down the example of info utilization and advertising. They pointed that the expense of paddy development was Rs.31815.16 and it

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expanded with the extent of land property. They found that there is no distinction among advertised and attractive surplus in view of their prompt money prerequisites. They found that the channel I was a progressively beneficial one for agriculturists while contrasting different channels. Further he pointed that value spread was high in the channel II. At long last they reason that channel I was more ingenious than channel II.

DISCUSSION

Price-spread analysis shows the producer's prices, marketing margin, marketing cost and consumer price in the three marketing channels. The higher price-spread means higher marketing cost and margin obtained by the intermediaries and vice-versa. The analysis of price-spread in the three marketing channels for marginal farmers is presented in Table 6.21.

TABLE 1: PRICE-SPREAD FOR MARGINAL AND SMALL FARMS UNDER DIFFERENT CHANNELS

(Rupees per quintal)

PRICE-SPREAD IN MARGINAL FARMS UNDER DIFFERENT CHANNELS				
Sl.No.	**Particulars**	**Channels**		
		I	**II**	**III**
1.	Producers' Price	945.18	961.75	988.00
2.	Marketing Margin	170.72	190.24	231.42
3.	Marketing Cost	389.86	353.77	286.34
4.	Consumer's Price	1489.76	1489.76	1489.76
5.	Price-Spread	552.58	536.01	509.76
PRICE-SPREAD IN SMALL FARMS UNDER DIFFERENT CHANNELS				
Sl.No.	**Particulars**	**Channels**		
		I	**II**	**III**
1.	Producers' Price	931.75	971.46	981.18
2.	Marketing Margin	144.67	169.70	168.61

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3.	Marketing Cost	429.34	364.60	355.97
4.	Consumer's Price	1489.76	1489.76	1489.76
5.	Price-Spread	566.01	526.30	516.58

Source: Computed Data

It is found from Table 1 that the price-spread in the marginal farms is higher in Channel I at Rs.552.28 per quintal than in other channels due to higher marketing cost. The village trader incurs higher marketing cost since he has to bear the commission charges paid by the commission agents also. Channel III is economical to the farmers since its price-spread is lesser at Rs.509.76 per quintal, but the constraint is lesser off-take. It is also observed that the price-spread in the small farms is higher in Channel I at Rs.566.01 per quintal than in other channels due to higher marketing cost. The village trader incurs higher marketing cost since he has to bear the commission charges paid by the commission agents also. Channel III is economical to the farmers since its price-spread is lesser at Rs.516.58 per quintal, but the constraint is lesser off-take.

TABLE 2: PRICE-SPREAD FOR MEDIUM AND LARGE FARMS UNDER DIFFERENT CHANNELS

(Rupees per quintal)

PRICE-SPREAD IN MEDIUM FARMS UNDER DIFFERENT CHANNELS				
Sl.No.	**Particulars**	**Channels**		
		I	**II**	**III**
1.	Producers' Price	967.63	984.71	994.35
2.	Marketing Margin	184.92	175.43	185.01
3.	Marketing Cost	353.21	345.62	326.40
4.	Consumer's Price	1489.76	1489.76	1489.76
5.	Price-Spread	530.13	513.05	503.41
PRICE-SPREAD IN LARGE FARMS UNDER DIFFERENT CHANNELS				
Sl.No.	**Particulars**	**Channels**		

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		I	II	III
1.	Producers' Price	969.18	971.46	985.85
2.	Marketing Margin	181.58	178.08	179.48
3.	Marketing Cost	353.00	356.22	340.43
4.	Consumer's Price	1489.76	1489.76	1489.76
5.	Price-Spread	528.58	526.30	511.91

Source: Computed Data

It is shown from Table 2 that the price-spread in the medium farms is higher in Channel I at Rs.530.13 per quintal than in other channels due to higher marketing cost. The village trader incurs higher marketing cost since he has to bear the commission charges paid by the commission agents also. Channel III is economical to the farmers since its price-spread is lesser at Rs.503.41 per quintal, but the constraint is lesser off-take. It is seen from Table 2 that the price-spread is a minimum of Rs.511.91 per quintal in Channel III and a maximum of Rs.528.58 in Channel I. The results of price-spread analysis are similar in small as well as large farms. But the large farms have a lesser price-spread than the small farms in all the three marketing channels because of their financial strength, large-scale production and lesser average fixed overheads.

6.5. MARKETING EFFICIENCY

The marketing costs, marketing margins and efficiency indices for the three different channels for marginal were estimated and they are presented in Table 3.

TABLE 3: MARKETING EFFICIENCY INDEX FOR DIFFERENT FARMS

MARKETING EFFICIENCY INDEX IN MARGINAL FARMS (Rupees per quintal)				
Sl.No.	**Marketing Channel**	**Marketing Cost (M.C.)**	**Marketing Margin (M.M.)**	**Efficiency Index = 1 + M.M/M.C.**
1.	Channel I	389.86	170.72	1.44
2.	Channel II	353.77	190.24	1.54
3.	Channel III	286.34	231.42	1.81

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MARKETING EFFICIENCY INDEX IN SMALL FARMS (Rupees per quintal)				
Sl.No.	**Marketing Channel**	**Marketing Cost (M.C.)**	**Marketing Margin (M.M.)**	**Efficiency Index = 1 + M.M/M.C.**
1.	Channel I	429.34	144.67	1.33
2.	Channel II	364.60	169.70	1.46
3.	Channel III	355.97	168.61	1.47
MARKETING EFFICIENCY INDEX IN MEDIUM FARMS (Rupees per quintal)				
Sl.No.	**Marketing Channel**	**Marketing Cost (M.C.)**	**Marketing Margin (M.M.)**	**Efficiency Index = 1 + M.M/M.C.**
1.	Channel I	353.21	184.92	1.52
2.	Channel II	345.62	175.43	1.51
3.	Channel III	326.40	185.01	1.57
MARKETING EFFICIENCY INDEX IN LARGE FARMS (Rupees per quintal)				
Sl.No.	**Marketing Channel**	**Marketing Cost (M.C.)**	**Marketing Margin (M.M.)**	**Efficiency Index = 1 + M.M/M.C.**
1.	Channel I	355.00	181.58	1.51
2.	Channel II	356.22	178.08	1.50
3.	Channel III	340.43	179.48	1.53

Source: Survey data.

It is observed from Table 3 that the marketing efficiency in channel III is better than in Channels I and II due to the higher marketing cost and lower marketing margin. The marketing costs, marketing margins and efficiency indices for the three different channels for small were estimated and they are presented in Table 3. It is found from table that the marketing efficiency in channel III is better than in Channels II and I due to the higher marketing cost and lesser marketing margin. It is understood that the marketing efficiency in channel III is better than in Channels II and I due to the higher marketing cost and lesser marketing margin. It is seen from Table 3 that Channel III is operating more efficiency than Channels II and I. The efficiency index of channels I and II are 1.51 and 1.50 respectively. Channel III is efficient because of its

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lesser marketing cost and higher marketing margin compared to the other channels. The marketing efficiency index for different farms has been shown in diagram 6.10.

Acharya and Agarwal's Method

The marketing efficiency is measured by using the following formula given by Acharya and Agarwal:

$$E = \frac{O}{I} \times 100$$

Where,

E = Marketing Efficiency,

O = Output of the marketing system (value added, that is, difference between consumer's price and producer's price) and

I = Inputs used in the marketing process (marketing cost).

The marketing efficiency and marketing efficiency index by using Acharya and Agarwal' method for the three different channels for marginal farmers were estimated and they are presented in Table 4.

TABLE 4

MARKETING EFFICIENCY ANALYSIS USING ACHARYA AND AGARWAL METHOD FOR MARGINAL FARMERS (Rupees per quintal)				
Sl. No.	**Particulars**	**Channels**		
		I	**II**	**II**
1.	Total Marketing Cost (I)	389.86	353.77	286.34
2.	Value Added (O) (Consumer's Price – Producer's Price)	544.58	528.01	501.76
3.	Marketing Efficiency: ME = (O/I)	1.40	1.50	1.75

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4.	Marketing Efficiency Index: (ME x 100)	140.00	150.00	170.00
MARKETING EFFICIENCY ANALYSIS USING ACHARYA AND AGARWAL METHOD FOR SMALL FARMERS (Rupees per quintal)				
Sl. No.	**Particulars**	**Channels**		
		I	**II**	**II**
1.	Total Marketing Cost (I)	429.34	364.60	355.97
2.	Value Added (O) (Consumer's Price – Producer's Price)	558.01	518.30	508.58
3.	Marketing Efficiency: ME = (O/I)	1.30	1.42	1.43
4.	Marketing Efficiency Index: (ME x 100)	130.00	142.00	143.00
MARKETING EFFICIENCY ANALYSIS USING ACHARYA AND AGARWAL METHOD FOR MEDIUM FARMERS (Rupees per quintal)				
Sl. No.	**Particulars**	**Channels**		
		I	**II**	**II**
1.	Total Marketing Cost (I)	353.21	345.62	326.40
2.	Value Added (O) (Consumer's Price – Producer's Price)	522.13	505.05	495.41
3.	Marketing Efficiency: ME = (O/I)	1.48	1.46	1.52
4.	Marketing Efficiency Index: (ME x 100)	148.00	146.00	152.00
MARKETING EFFICIENCY ANALYSIS USING ACHARYA AND AGARWAL METHOD FOR LARGE FARMERS (Rupees per quintal)				
Sl. No.	**Particulars**	**Channels**		
		I	**II**	**II**
1.	Total Marketing Cost (I)	355.00	353.22	340.43

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2.	Value Added (O) (Consumer's Price – Producer's Price)	520.58	518.30	503.43
3.	Marketing Efficiency: ME = (O/I)	1.47	1.47	1.48
4.	Marketing Efficiency Index: (ME x 100)	147.00	147.00	148.00

Source: Computed data.

It is observed from Table 6.33 that the marketing efficiency index of Channel III is greater than that of Channel I and Channel II for marginal farmers. The marketing efficiency of Channel III is also greater than that of Channel II and Channel I. It is found from Table 6.33 that the marketing efficiency index of Channel III is greater than that of Channel II and Channel I for small farmers. The marketing efficiency of Channel III is also greater than that of Channel II and Channel I. The marketing efficiency index of Channel III is greater than that of Channel II and Channel I for medium farmers. The marketing efficiency of Channel III is also greater than that of Channel II and Channel I. The marketing efficiency index of Channel III is greater than that of Channel I and Channel II for large farmers. The marketing efficiency of Channel III is also greater than that of Channel I and Channel II in the study area.

SUGGESTIONS

Government should coordinate the co-employable and business banks in the examination region to give sufficient credit offices at sensible rate important to the farmers with no unbending customs. To entirety up, a long haul course of action ought to be worked out by the Government of Tamil Nadu to ensure the enthusiasm of the two makers and buyers and furthermore to improve the creation and advertising of paddy in the investigation zone. It is likewise basic to see that the value offered to farmers is identified with the expense of generation. Further, another component must be developed to break the stagnation in the creation of paddy through reception of most present day techniques for development and to guarantee stable profitable costs to the farmers. Visual media like TV can be utilized for giving business sector data to farmers of rustic regions. Present day gadgets, for example, PCs might be utilized wherever important to make a significant gauge of attractive surplus and day by day normal cost.

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