

Analysis of Producer's Share in Consumer's Rupee of Selected Vegetables in Kalaburagi

Sagar Gajre¹ and Ganapati B. Sinnor^{*2}

^{1,2} Department of Business Studies, Central University of Karnataka, Kalaburagi - 585 367, Karnataka, India

Received: 27 Nov 2023; Revised accepted: 24 Jan 2024; Published online: 13 Feb 2024

Key words: Producer's share in consumer's rupee, Producer price, Retail Price, Price spread, Middlemen

The Food and Agriculture Organization (FAO) of the United Nations ranked India as the second-largest producer of fruits and vegetables worldwide after China (www.ibef.org). Because of the country's varied topography and temperature, fruits and vegetables are available throughout the year. Vegetable production is anticipated to total about 200 million metric tonnes in the fiscal year 2022 (Source: vegetable-production-in-India) (www.statista.com). These produce items include, among others, potatoes, tomatoes, onions, eggplants, and cabbage. Being a top producer of reasonably priced fruits and veggies. According to the survey, the majority of farmers in all areas sold their produce through the traditional supply chain since they were close to their disposal and financial facilities. However, they had to pay high commission fees of 8%. With regard to the current supply chain, this results in the lowest percentage of the producer's share [1].

The post-harvest losses and wastages issues were caused by a longer and disintegrated supply chain, improper transportation, insufficient cold chain facilities, reliance on intermediaries, poor marketing and distribution network, the weak linkage between supply chain partners, ineffective mandi system, high cost of packaging, etc. As a result, produced was lost or wasted after harvest [2]. One of the new agricultural marketing strategies in India is to establish fresh food retail chains as a means of connecting primary producers with national and international markets in order to enhance the livelihoods of small producers [3]. Many models have been created to improve the livelihoods of small producers. New farm-to-table initiatives are helping fresh food retail businesses buy produce directly from farmers and sell it to consumers. Having said that, many grocery store chains will only work with large-scale farmers and will turn down small-scale farmers for various reasons [4]. In order for farmers to be able to withstand any losses that may occur as a result of intermediaries.

The present study was carried out in Kalaburagi District of North Karnataka during the period April 2020 to April 2022, five vegetables namely potato, onion, tomato, garlic and green chilli were selected for the study. Through a survey of daily farmer selling price and consumer buying price of vegetables. The data have been analyzed using basic statistical techniques.

Producer's share in consumer's rupee

The term "Producer's Share in Consumer's Rupee" refers to the dynamic and movable portion of the consumer's rupee that goes to vegetable producers. The relationship between the producer's share and marketing effectiveness is favourable. The marketing efficiency would increase or decrease depending on the producer's share. This outlines the price given to the grower of vegetables and is expressed as a percentage of the rupees that consumers have paid. It is calculated using the formula below:

Price spread and Producers' Share (PS) estimation have been analysed using the given following methods:

$$\text{Price Spread (PS)} = \text{Price paid by the consumer (PC)} - \text{Price received by the farmer (PF)}$$

$$\text{Producers' Share (PS)} = (\text{PR/PC}) \times 100$$

Where;

PS = Producers' share in consumer rupee (₹/Kg)

PR = Price received by the producer (₹/Kg)

PC = Price paid by a consumer (₹/Kg)

It is observed from (Table 1) that the producer price of garlic was highest (104.4 ₹/Kg) during 2020-21 Kharif season and lowest (55.4 ₹/Kg) during Rabi 2021-22. It is found in (Table 1) that consumer prices of garlic were highest during all season during the year 2020-21 [5]. The consumer price of garlic (139.4 ₹/Kg) was highest during Kharif 2020-21 season, and the lowest consumer price was found for onion (15.7 ₹/Kg) during Zaid season [6-7]. It is found that the price spread of onion (8.5) was lowest during Zaid 2020-21 season, and increased by Kharif season (9.6) and rabi season (17.4). Price spread of potato (9.1) was lowest during Zaid 2020-21 season, Price spread of tomato (18.8) was highest during Kharif season. Price spread of green chilli (23.8) was highest during Rabi season. Price spread of garlic (58.9) was highest during Zaid 2020-21 season, followed by rabi season (40.7) during the same year. It is observed from (Table 1) that producer share in consumer rupee of garlic was highest (74.9%) during Kharif 2020-21 season, followed by onion (71.2%), Zaid season and lowest for green chilli (42.2%) in kharif 2021-22 season [8].

***Correspondence to:** Ganapati B. Sinnor, E-mail: sagargajre7@gmail.com; Tel: +91 8553809947

Citation: Gajre S, Sinnor GB. 2024. Analysis of producer's share in consumer's rupee of selected vegetables in Kalaburagi. *Res. Jr. Agril. Sci.* 15(1): 236-237.

Table 1 Price spread and producers' share in consumer rupees of vegetables

Crops	Zaid 2020-21				Zaid 2021-2022 (₹/Kg)			
	PC	PF	Price spread	PSCR	PC	PF	Price spread	*PSCR
Onion	15.7	7.2	8.5	45.9	20.3	10.6	9.6	52.5
Potato	29.5	20.4	9.1	69.2	27.7	17.4	10.3	62.8
Tomato	17.7	8.0	9.7	45.2	19.1	8.7	10.4	45.5
Garlic	133.2	74.3	58.9	55.8	112.9	78.0	34.8	69.1
Green chilli	33.0	16.8	16.1	51.1	63.7	29.2	34.5	45.8
Kharif								
Crops	PC	PF	Price spread	PSCR	PC	PF	Price spread	PSCR
Onion	27.2	17.6	9.6	64.7	30.3	18.3	12.0	60.4
Potato	41.1	26.5	14.5	64.6	31.2	19.6	11.6	62.7
Tomato	45.3	26.5	18.8	58.4	22.5	10.8	11.7	48.1
Garlic	139.4	104.4	35.0	74.9	123.7	83.3	40.4	67.3
Green chilli	53.5	29.9	23.6	55.9	34.6	14.6	20.0	42.2
Rabi								
Crops	PC	PF	Price spread	PSCR	PC	PF	Price spread	PSCR
Onion	60.5	43.1	17.4	71.2	41.1	25.9	15.2	63.0
Potato	47.3	28.6	18.7	60.5	29.8	19.4	10.4	65.0
Tomato	29.6	17.0	12.6	57.4	34.5	19.4	15.1	56.2
Garlic	125.3	84.6	40.7	67.6	90.4	55.4	35.0	61.3
Green chilli	49.1	25.3	23.8	51.5	51.6	22.0	29.6	42.6

*PC: Consumer Price, PF: Farmers/Producer Price, *PSCR: Producer share in consumer rupees, *Price in rupees, *Quantity in Kg's

SUMMARY

Vegetable prices fluctuate for many reasons, such as market forces, local climate, and supply and demand. Vegetables and spices, which are important crops for both the farmer's revenue and the national income, have a smaller proportion of the consumer's rupee, according to many studies. Producers need to be made aware of the advantages of direct marketing through communication and integration to sell their produce at a better price, and it also benefits in not paying commissions and untimely payments made to farmers after the sale. Keeping these factors in mind, the present research looked at the price distribution of several vegetables in Kalaburagi and the percentage of the rupee that went to producers. Also, when middlemen are involved, less of the consumer's rupee goes to the producer. Traditional supply chains offer a variety of services, which farmers prefer, even when they are inefficient. The research considered the five primary vegetables: garlic, onion, potato, green chilli, and tomato. The APMC market and the Farmer's market (Kanni) were chosen for the farmer's price, while different retail markets in the Kalaburagi vicinity were chosen for the retail price. The most common marketing channels involved in the marketing of vegetables in Kalaburagi

district is Producer → Wholesaler → Retailer → Consumer. The producer's share in the consumer's rupee was highest for garlic (74.9%), and the lowest was for green chilli (42.2%). Government should come up with some price support scheme for the vegetable growers and local government could intervene to buy veggies from farmers and sell them to consumers in a city with an acceptable margin in order to help vegetable producers. By doing this, prices can be reduced by practically half. All that is required is for the government to purchase the vegetables straight from the APMC and begin marketing them at various locations throughout the city. Problems with demand forecasting, insufficient storage space, expensive labour, inadequate packing and grading, prohibitive shipping costs, and exorbitant pesticide price make farmers incur heavy expenditures and any malpractice followed during the sale of farmers produce stops them from receiving a justifiable price for their produce which sometimes does not even cover the cost of cultivation. The marketing effectiveness of the produce declines when the number of middlemen in the marketing channel grows as a result of rising marketing costs and margins. If there are fewer middlemen in the marketing channel, there will be plenty of opportunity for farmers to sell their produce profitably.

LITERATURE CITED

1. Narasalagi DVM. 2018. Analysis of producer's share in consumer's rupee in marketing of selected vegetable through different supply chains. *International Journal of Innovative Research and Studies* 8(2): 243-250.
2. Negi S, Anand N. 2016. Issues and challenges in the supply chain of fruits and vegetables sector in India: A review. *International Journal of Managing Value and Supply Chains* 6(2): 47-62.
3. Singh SP, Sikka BK, Singh A. 2009. Supply chain management and Indian fresh produce supply chain: Opportunities and Challenges. International Food and Agribusiness Management Association, 19th Annual World Symposium
4. Rais M, Sheoran A. 2015. Scope of supply chain management in fruit and vegetables. *Journal of Food Processing and Technology* 6(3): 1-7.
5. Paramanik B, Das G, Saha D, Mandal A. 2022. Analysis the producer's share in consumer's rupees and price spread of selected vegetable and spice crops in West Bengal. *Agro Economist - An International Journal* 9(2): 157-160.
6. Shivashakar K. 2014. An exploratory study on supply chain management in vegetable marketing: with special reference to the Belgaum city of Karnataka. *International Journal of Marketing and Financial Management* 2(7): 54-62
7. Singla N, Singh S, Dhindsa PK. 2011. Fresh food supermarkets in the Indian Punjab: Organization and Impacts. *Journal of Physics and Science* 21(1): 91-108.
8. Baba SH, Wani MH, Yousuf S. 2010. Marketed surplus and price spread of vegetables in Kashmir Valley. *Agricultural Economics Research Review* 23: 115-127.